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# *Social Security Bulletin*



**May 1955**

**Volume 18**

**Number 5**

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**Why Do Beneficiaries Retire? Who Among Them Return to Work?**

**Old-Age and Survivors Insurance: History of the Benefit Formula**

THE SOCIAL SECURITY BULLETIN is the official monthly publication of the Social Security Administration. An annual statistical supplement, with calendar-year data, has been carried as part of each September issue since 1950. Statements in BULLETIN articles do not necessarily reflect official policies of the Social Security Administration.

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The BULLETIN is prepared in the Division of Research and Statistics, Office of the Commissioner, Social Security Administration, under the editorial supervision of Josephine Merican and Angela Murray, Associate Editors. Suggestions or comments concerning the BULLETIN should be addressed to the Division of Research and Statistics. The BULLETIN is planned with the advice and aid of an editorial advisory committee representing the units of the Social Security Administration.

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# Social Security in Review

**T**OTAL expenditures for public assistance rose slightly in February to a total of \$230 million, chiefly because of further increases in caseloads and small rises in average payments for all types of assistance except old-age assistance. The number of persons receiving old-age assistance was 4,500 or 0.2 percent less in February than in January; total payments dropped \$894,000 or 0.7 percent. General assistance had the largest proportionate rises both in caseloads (2.5 percent) and in total payments (2.7 percent).

Among the States the old-age assistance caseloads changed, percentagewise, within a narrow range. Forty of the 53 States reported decreases. In the other three special types of assistance, most of the States reported increases in caseloads; the ranges were somewhat wider than in old-age assistance. Caseload changes were relatively substantial in general assistance, but they were confined primarily to the smaller agencies. Of the 49 States reporting changes in general assistance caseloads, 16 had increases of more than 5 percent. The sharpest increases were in Arkansas (30 percent) and in Montana (49 percent). At the other extreme, Alaska reported the largest decrease—14 percent.

Small changes in average payments for the Nation are frequently a reflection of a substantial change in only one or two States. In old-age assistance, for example, although average payments rose in 42 States, a decrease of \$19 in the average payment in Colorado—amounting to a drop of more than \$1 million in State expenditures—was responsible for the decline in total expenditures for the

country as a whole. Payments in Colorado were based on a maximum of \$90 in February; the maximum in effect for January had been \$109. Among the other States, only Minnesota and North Dakota had changes (both increases) in average payments for old-age assistance that exceeded \$1. Higher vendor payments for medical care accounted for the rises in these States. Vendor payments for medical care also explained most of the larger changes in the other three special types of public assistance.

In Virginia the average payment to families receiving aid to dependent children has dropped \$1.81 since December 1954 as the result of a policy designed to save funds. Effective in January the State agency stopped re-

imbursing localities for any amount paid to families that exceeded the Federal maximums. All payments greater than these maximums will come entirely out of local funds.

Decreases and increases in average payments for general assistance were both substantial. By far the largest decrease (\$18.56 per case) occurred in Oregon, where the State, to conserve funds, made smaller allowances for food, limited the number of payments for rent, and provided clothing on a restricted basis. These policies were applicable for most of the counties in Oregon. Alaska reported the greatest increase in average payment (\$12.38 per case). Because of the sizable drop in the number of cases, however, the increase in total payments amounted to less than \$700.

## Old-age and survivors insurance:

Monthly benefits in current-payment status:	February 1955	January 1955	February 1954
Number (in thousands).....	7,086	6,967	6,129
Amount (in millions).....	\$353	\$345	\$262
Average old-age benefit.....	\$59.92	\$59.44	\$51.40

## Public assistance:

Recipients (in thousands):			
Old-age assistance.....	2,554	2,558	2,578
Aid to dependent children (total).....	2,226	2,198	1,996
Aid to the blind.....	103	103	100
Aid to the permanently and totally disabled.....	227	226	200
General assistance (cases).....	380	370	312
Average payments:			
Old-age assistance.....	\$56.71	\$51.97	\$51.25
Aid to dependent children (per family).....	86.12	85.73	84.59
Aid to the blind.....	56.63	56.50	55.73
Aid to the permanently and totally disabled.....	54.60	54.37	53.49
General assistance (per case).....	56.70	56.57	50.81

## Unemployment insurance:

Initial claims (in thousands).....	1,027	1,490	1,340
Beneficiaries, weekly average (in thousands).....	1,672	1,668	1,864
Benefits paid (in millions).....	\$163	\$171	\$179
Average weekly payment for total unemployment.....	\$25.06	\$25.12	\$24.74



● The old-age and survivors insurance program at the end of February was paying monthly benefits amounting to \$353.2 million to almost 7.1 million persons. The number of beneficiaries increased during the month by 1.7 percent—a gain that amounts to about 118,600 and is 53 percent greater than that in February 1954. The rise reflects both the seasonal increase in monthly benefit awards and the liberalization in the retirement test under the 1954 amendments. These liberalizing provisions, which became effective in January 1955, changed the earnings test for wage earners from a monthly to an annual basis, raised to \$1,200 the amount that beneficiaries can earn in a year before any benefits are withheld, and lowered from 75 to 72 the age at which beneficiaries can receive benefits regardless of the amount of their earnings. Because of this liberalization in the retirement test, monthly payments were resumed to many beneficiaries whose benefits had been suspended, and benefits were awarded and paid to many persons who otherwise could not have received them.

Retired workers and their dependents—aged wives, dependent husbands, wives under age 65 with child beneficiaries in their care, and young children—exceeded 5 million for the first time in February and made up almost 72 percent of all beneficiaries. Their monthly benefits, which totaled \$270.1 million, represented almost 77 percent of all monthly benefits paid

under the program for February. At the end of 1949, 10 years after monthly benefits were first payable, there were 1.7 million retired workers and their dependents who were beneficiaries. In the following 5 years the number of such beneficiaries almost tripled.

Monthly benefits were awarded in February to about 141,600 persons, about 40,600 more than in January. All types of benefits except parent's benefits shared in the increase. Lump-sum death payments totaling \$7.5 million were awarded in February to 40,200 persons; the average lump-sum payment per deceased worker was \$193.02.

Monthly benefits were being withheld from almost 346,000 beneficiaries entitled to old-age, wife's, husband's, widow's, widower's, mother's, or parent's benefits at the end of 1954—the latest date for which information on the reason for withholding benefits is available. The reason for 71 percent of the suspensions was the employment of the beneficiaries (under age 75) for wages of more than \$75 a month. Wife's or husband's benefits withheld because of the employment of the old-age beneficiary represented 12 percent of the suspensions, while 11 percent were accounted for by the self-employment of the beneficiary or of the old-age beneficiary on whose earnings the wife's or husband's benefits are based.

At the end of 1954, beneficiaries whose benefits were withheld—excluding child beneficiaries, for whom

data on withheld benefits are not available—represented 5.7 percent of all such beneficiaries entitled to benefits. This is the lowest percentage since monthly benefits were first payable and is about 1.1 percent less than that a year earlier. The liberalization in the retirement test has accelerated the decline in the percentage that persons with benefits withheld are of all beneficiaries entitled to benefits; by the end of February, the benefits of 290,000 beneficiaries were being withheld—about 4.7 percent of all who were entitled to benefits.

● Fewer initial claims for benefits under the State unemployment insurance programs were filed in February than in any other month since October 1953. The total of slightly more than 1 million was 31.1 percent less than that in January. State insured unemployment in an average week was also less in February than in January, but the decline was less sharp—4.2 percent. While the drop in both initial claims and insured unemployment was largely seasonal, improved business activity in varied industries helped reduce claims loads.

Unemployed workers who received benefit payments in an average week in February numbered 1.7 million, about the same as in January. The average weekly payment for total unemployment dropped 6 cents, to \$25.06, and total benefits paid under the programs amounted to \$163 million or about \$8 million less than in January.

	February 1955	January 1955	February 1954	Calendar year 1954	Calendar year 1953
Civilian labor force, <sup>1,2</sup> total (in thousands) .....	63,321	63,497	63,725	64,468	63,815
Employed .....	59,938	60,150	60,055	61,238	62,213
Unemployed .....	3,383	3,347	3,670	3,230	1,602
Personal income <sup>1,3</sup> (in billions; seasonally adjusted at annual rates), total ..	\$292.4	\$291.4	\$283.0	\$286.5	\$286.1
Employees' income .....	200.8	200.2	194.7	197.2	200.0
Proprietors' and rental income .....	49.9	49.5	50.0	48.7	49.0
Personal interest income and dividends .....	24.7	24.7	23.0	24.3	22.8
Public assistance .....	2.6	2.6	2.5	2.5	2.4
Social insurance and related payments .....	11.9	11.9	10.2	10.2	9.2
Other income payments .....	2.7	2.7	2.8	3.8	2.9
Consumer price index <sup>1,4</sup> .....	114.3	114.3	115.0	114.8	114.4

<sup>1</sup> Data relate to continental United States, except that personal income includes pay of Federal personnel stationed abroad.

<sup>2</sup> Bureau of the Census.

<sup>3</sup> Data from the Office of Business Economics, Department of Com-

merce. Components differ from those published by the Department since they have been regrouped; for definitions, see the *Bulletin*, September 1954, page 34, table 1.

<sup>4</sup> Bureau of Labor Statistics.



# Why Do Beneficiaries Retire? Who Among Them Return to Work?

by MARGARET L. STECKER\*

*Studies made in the 1940's indicated that most retired workers who are beneficiaries under the old-age and survivors insurance program do not leave their jobs because they want to; if their health permits and there is a market for their services, they would rather continue in gainful employment. The 1951 national survey included additional information about the retirement of old-age insurance beneficiaries and their reemployment that tends to support these findings.*

THE principal reason for retirement<sup>1</sup> given by former workers who receive old-age insurance benefits is inability to continue in employment because of sickness, accident, the infirmities of age, and other incapacities. Practically half say that they left their jobs of their own accord because they were no longer able to work or that their jobs were terminated by the employer because he thought they were no longer able to perform the tasks expected of them.

A fifth of all the men and women who were paid their first benefits between January 1940 and September 1950 later worked regularly full time for 6 or more consecutive months, and when interviewed at the end of 1951 a tenth were still working full time. Two in 5 beneficiaries reported that during the 12 months preceding the interview they had been employed at some kind of job for longer or shorter periods or that, though unemployed, they were able to work and wanted a job.

\*Division of Program Analysis, Bureau of Old-Age and Survivors Insurance.

<sup>1</sup> "Retirement" as used in this article means termination of last covered employment before payment of first old-age insurance benefit. For the great majority of beneficiaries, termination of last covered employment before first benefit payment indicates that their working days are over. They are retired not only in the sense of not earning in covered employment more than the maximum amount permitted while drawing benefits under the Social Security Act but are, in fact, out of the labor force for good. For most of them the month of the first benefit payment and the month of entitlement are the same; therefore, "entitlement" is sometimes used here interchangeably with "payment of first benefit."

The reasons men and women stop working in covered employment and become old-age beneficiaries, and the bearing these reasons for retirement have on their reemployment, are of more than passing interest. The growing number of older persons in the population and the increasing public concern about their problems—personal, social, economic—call for facts on which to base policies and build programs to meet their particular needs. Information about the availability of retired workers for employment is important not only to those who think in terms of the individual's welfare but also to the industries that might use the services of the aged.

A study of the reasons elderly men and women had left their last covered employment before their entitlement to old-age benefits and the nature and extent of their postretirement employment was part of the national survey conducted by the Bureau of Old-Age and Survivors Insurance in 1951. At the end of that year employees of the Bureau interviewed in their homes more than 15,000 retired workers<sup>2</sup> who were old-age benefi-

<sup>2</sup> The sample also included 2,553 widows aged 65 and over who, added to the 15,108 retired workers entitled to old-age benefits on their own wage records, made up the total of 17,661 old-age and survivors insurance beneficiaries in the 1951 national survey of beneficiary resources. For a description of the survey and of the characteristics of the beneficiaries, as well as other findings of the study, see the *Bulletin*, August 1952, June and August 1953, and April and August 1954. Reports on earlier local surveys made between 1941 and 1949 have also been published in the *Bulletin*.

aries. These men and women—living in every State of the Union and representing entitlements in every year between January 1940 and September 1950, every type of employment covered by the Social Security Act before January 1951, and at every economic level—are a fair cross section of persons aged 65 and over who had previously been employed in industry and commerce.

The interviewers recorded the reasons the beneficiaries gave for job terminations and their answers to specific questions about their subsequent reemployment. The reasons for termination have been grouped for this analysis according to whether the beneficiary himself decided to stop working (quit job) or his employer initiated his job termination (lost job). Postretirement employment has been analyzed to show how many beneficiaries who had left their preretirement covered jobs for specified reasons worked full time thereafter and how many worked at all during the survey year.<sup>3</sup> Particular attention has been devoted to the connection, if any, between the reasons they gave for their retirement and their reemployment, estimates of their current work capacities, and attitudes toward employment.

In September 1950 all restrictions were removed from the amount of covered earnings that employed individuals aged 75 and over could have while drawing old-age benefits. At the same time the covered wages that beneficiaries under age 75 could have without benefit suspension were raised from \$14.99 to \$50 a month.<sup>4</sup>

<sup>3</sup> The survey year was a period of 12 consecutive calendar months ended in October, November, or December 1951, or in January 1952, depending on the date of the interview.

<sup>4</sup> Beginning in January 1951, when most nonfarm self-employment became covered under the 1950 amendments, annual earnings of \$600 were permitted without benefit suspension for self-employed persons under age 75.

As a result, about 2 percent of all the retired men and women workers in the 1951 survey were paid benefits without termination of their covered employment. They are included in table 1, but most of this article relates to beneficiaries who had actually left covered jobs before being paid their first benefits, although some earned more than \$50 in 1 or more months during the survey year and had corresponding benefit suspensions.<sup>1</sup>

### Reasons for Retirement

The findings of the 1951 survey of old-age and survivors insurance beneficiaries confirm the conclusion of earlier studies that relatively few retired workers quit their jobs while they are in good health, because they want to. Only 1 in 25 told the interviewer that he had stopped working to have more leisure or because he thought he had worked long enough (table 1).

Some beneficiaries who said they had quit because they were no longer able to work (41 percent of the men, 46 percent of the women) had suffered an acute illness or accident, others were chronically disabled, and still others were neither ill nor disabled but had found their work too hard or their strength unequal to the demands on it; they were tired and had stopped for a rest. An additional 7 percent of the men and 4 percent of the women had been dropped by the employer because he thought them no longer able to work.

Next to health conditions the reason for retiring most frequently reported by beneficiaries was that their jobs had been discontinued by the employer—for example, there was a reduction in force, the work was reorganized, or the employer went out of business or moved to another locality. One in 5 men and women was in this group whose jobs had been

discontinued. Discontinuance of the job is a normal cause of labor turnover for workers of any age. Other normal causes of labor turnover are dismissal by the employer for reasons other than impaired work capacity (6 percent of the men and 5 percent of the women had lost their jobs for these "other reasons"), quitting to take or look for another job (4 percent of the men, 3 percent of the women), and quitting for a variety of other reasons (6 percent of the men and 11 percent of the women had left of their own accord because of home responsibilities, various circumstances associated with their work, and so forth).

Finally there were the beneficiaries (11 percent of the men, 6 percent of the women) dismissed because they had reached the company retirement age. Not all of this group were receiving company or union pensions.

### Sex of Beneficiaries

Relatively more women than men had quit their jobs, largely because more women than men had stopped working for reasons of health or other incapacity or had retired voluntarily for so-called "other" reasons. The "other" reasons for which the women had quit more frequently than the men were connected with home responsibilities: to give full-time care to a sick relative (husband, sister, father), to keep house for a son or daughter, to look after a grandchild, or to perform similar duties. About the same proportion of men and women had lost their jobs because the jobs were discontinued, but percentage-wise only half as many women as men had been dismissed because they had reached the company retirement age.

While both the retired men and the retired women had, of course, worked in covered employment, their occupations in general had been different. The men were more apt than the women to have been craftsmen or laborers, and the women were more apt to have been light factory operatives or sales, clerical, and service workers. These differences between the occupations of the men and women may be reflected in differences in the type of business organizations for which

they worked, in the degree of strength of their labor organizations, and in other factors that have a bearing on company personnel policies, programs, and practices. Thus the fact that relatively more men than women had been dismissed because of age may be due, in part at least, to their more extensive employment by companies that have compulsory retirement ages. Occupational differences may also partly explain the fact that, relatively, a few more men than women had been dismissed by the employer for work incapacity.

### Eligibility Status

Under the 1939 amendments to the Social Security Act, workers reaching age 65 in September 1950 (the third quarter of the year) required 27 quarters of coverage<sup>2</sup> to be fully insured and qualify for old-age benefits. Workers reaching age 75 in that month required 7 quarters of coverage; between the ages of 65 and 75 workers required 7-26 quarters of coverage, while those aged 76 and over in September 1950 required only 6 quarters. Under the 1950 amendments all workers aged 65 and over became fully insured in September 1950 if they had 6 quarters of coverage.<sup>3</sup>

Consequently many workers who previously had had insufficient covered employment to qualify for benefits then became entitled. Their sixth quarter of coverage might have been acquired in any calendar quarter since April 1, 1938.<sup>4</sup> Some of them had worked in noncovered employment after the termination of their covered employment; some had been out of the labor force a long time. They were the disabled whose covered employment had been prematurely terminated, the in-and-outs, the war workers, the individuals who had had

<sup>2</sup> A "quarter of coverage" is any calendar quarter after January 1, 1937, in which a worker was paid \$50 or more in covered employment. The quarters of coverage required are not necessarily consecutive.

<sup>3</sup> The 6-quarters-of-coverage provision remained in effect until July 1, 1954.

<sup>4</sup> Under the 1939 amendments persons aged 65 and over in the first half of 1940 were fully insured with only 6 quarters of coverage. Persons attaining age 65 thereafter needed an additional quarter of coverage for each 2 elapsed quarters.

<sup>1</sup> In most of the earlier *Bulletin* articles reporting findings of the 1951 national survey, only beneficiaries with no benefit suspensions during the survey year were considered. Retired workers with no benefit suspensions constituted 89 percent of all the retired workers in the survey. Thus the figures for all beneficiaries—those with and without benefit suspensions—are weighted heavily by those with no benefit suspensions.

**Table 1.—Percentage distribution of retired workers at end of survey year 1951 by reason for termination of last covered employment before first benefit payment, by benefit status during year and eligibility status**

Reason for termination of employment	All beneficiaries			Beneficiaries with no benefit suspensions			Beneficiaries with one or more benefit suspensions		
	Total	1939 eligibles <sup>1</sup>	1950 eligibles <sup>2</sup>	Total	1939 eligibles <sup>1</sup>	1950 eligibles <sup>2</sup>	Total	1939 eligibles <sup>1</sup>	1950 eligibles <sup>2</sup>
<i>Retired men workers</i>									
Number <sup>3</sup> .....	12,283	10,840	1,443	10,801	9,491	1,310	1,482	1,349	133
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Employment not terminated <sup>4</sup> .....	1.6	1.4	3.3	1.8	1.6	3.4	.2	-----	2.3
Aged 75 and over.....	1.4	1.2	2.2	1.5	1.4	2.4	-----	-----	-----
Earned no more than permitted amount.....	.3	.2	1.1	.3	.2	1.0	.2	-----	2.3
Employment terminated.....	98.4	98.6	96.7	98.2	98.4	96.6	99.8	100.0	97.7
Quit job.....	54.3	54.3	54.3	55.9	56.0	55.1	43.0	42.6	46.6
Unable to work <sup>5</sup> .....	40.8	40.9	40.0	43.2	43.4	42.1	23.3	23.7	19.5
Retired voluntarily in good health <sup>6</sup> .....	3.8	4.1	1.6	3.9	4.3	1.5	2.9	3.0	2.3
For other kind of job <sup>7</sup> .....	4.0	3.7	6.4	3.5	3.3	5.4	7.4	6.6	15.8
Other <sup>8</sup> .....	5.7	5.6	6.4	5.2	5.1	6.1	9.3	9.3	9.0
Lost job.....	44.0	44.2	42.3	42.3	42.4	41.4	56.8	57.3	51.1
Job discontinued <sup>9</sup> .....	20.5	19.5	28.5	18.5	17.2	27.9	34.9	35.0	33.8
Reached company retirement age.....	10.7	11.9	1.2	11.3	12.7	1.1	6.3	6.7	2.3
Considered unable to work by employer.....	6.6	6.7	5.8	7.2	7.4	6.1	2.1	2.0	3.0
Other <sup>10</sup> .....	6.2	6.2	6.9	5.2	5.1	6.3	13.5	13.6	12.0
<i>Retired women workers</i>									
Number <sup>3</sup> .....	2,725	2,073	652	2,518	1,908	610	207	165	42
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	*100.0
Employment not terminated <sup>4</sup> .....	1.3	1.1	1.8	1.2	.9	2.0	2.4	3.0	-----
Aged 75 and over.....	.4	.4	.2	.4	.5	.2	-----	-----	-----
Earned no more than permitted amount.....	.9	.7	1.7	.8	.5	1.8	2.4	3.0	-----
Employment terminated.....	98.7	98.9	98.2	98.8	99.1	98.0	97.6	97.0	*100.0
Quit job.....	64.5	64.9	63.2	66.1	66.8	64.1	44.4	43.0	*50.0
Unable to work <sup>5</sup> .....	46.3	47.4	43.1	48.3	49.5	44.8	22.2	23.0	*19.0
Retired voluntarily in good health <sup>6</sup> .....	4.0	4.2	3.1	4.0	4.4	3.0	3.4	3.0	*4.8
For other kind of job <sup>7</sup> .....	3.0	2.4	4.8	2.7	2.1	4.4	6.3	5.5	*9.5
Other <sup>8</sup> .....	11.2	10.9	12.3	11.1	10.8	12.0	12.6	11.5	*16.7
Lost job.....	34.2	34.0	35.0	32.7	32.3	33.9	53.1	53.9	*50.0
Job discontinued <sup>9</sup> .....	19.3	17.8	23.8	18.1	16.5	23.0	33.8	33.3	*35.7
Reached company retirement age.....	5.5	6.7	1.8	5.7	6.9	2.0	3.9	4.8	-----
Considered unable to work by employer.....	4.1	4.6	2.3	4.2	4.8	2.5	2.4	3.0	-----
Other <sup>10</sup> .....	5.4	4.8	7.1	4.7	4.1	6.6	13.0	12.7	*14.3

\*Percentage distribution computed on small base and therefore subject to large sampling variation.

<sup>1</sup> Beneficiaries whose benefits were awarded under the 1939 amendments to the Social Security Act.

<sup>2</sup> Beneficiaries whose benefits were awarded for September 1950 under the 1950 amendments to the Social Security Act.

<sup>3</sup> Number reporting on all items in this table. Because the number reporting on different combinations of items varies slightly from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

<sup>4</sup> Beneficiaries entitled in September 1950. Effective that month the retirement test was liberalized to permit fully insured workers aged 75 and over to receive benefits regardless of earnings and those aged 65-74 to receive benefits if covered earnings were no more than \$50 a month. Before September 1950 the maximum amount of covered wages permitted without suspension of benefits was \$14.99 for all beneficiaries.

<sup>5</sup> Beneficiaries who quit because of sickness or accident or because they were tired or thought that their work was too hard for them or that they were too old to continue working.

<sup>6</sup> Beneficiaries who retired in good health to have more leisure or because they thought they had worked long enough.

<sup>7</sup> Beneficiaries who quit a full-time covered job hoping to find a different kind of work or to take a part-time covered job or noncovered employment.

<sup>8</sup> Beneficiaries who quit after a quarrel with the employer or fellow employees, during a strike, because they were unwilling to adjust to another kind of assigned work or were needed at home, and so forth.

<sup>9</sup> Beneficiaries who lost their jobs when there was a reduction in force, work was reorganized, the employer went out of business or moved to another locality, and so forth.

<sup>10</sup> Beneficiaries who lost their jobs for reasons they did not know or did not remember.

part-time or seasonal jobs in covered employment now and then.

The men and women in the 1951 survey who qualified for benefits only as a result of the 1950 amendments became entitled in the one month of September of that year; those who met the 1939 requirements became entitled in any month between January 1940 and September 1950. Half of all the entitlements in the first 9

months of 1950 were "1950 eligibles"—that is, they had at least 6 quarters of coverage but not enough to be fully insured under the provisions of the 1939 amendments.

All the elderly workers included in table 1 who drew their first old-age benefits without terminating their covered employment became entitled in September 1950. Four-fifths of them were 75-year-olds who, under

the 1950 amendments effective that month, could be paid benefits regardless of the amount of their covered earnings. The others were younger workers whose covered earnings did not exceed \$50 a month.\* Most of

\* Retired workers who before September 1950 drew their benefits while earning no more than \$14.99 a month are not included.



**Table 2.—Percentage distribution of retired workers at end of survey year 1951 by reason for termination of last covered employment before first benefit payment, by age at termination <sup>1</sup>**

Reason for termination of employment <sup>2</sup>	Age at termination of employment							
	Total	Under 60	60-64	65	66-69	70-74	75-79	80 and over
<b>Retired men workers</b>								
Number <sup>3</sup> .....	12,035	201	2,118	2,422	4,146	2,268	738	142
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	67
Quit job.....	55.2	68.2	60.3	44.4	55.4	58.3	59.6	69.0
Unable to work.....	41.5	40.8	43.6	31.4	42.1	45.8	49.1	59.9
Retired voluntarily in good health.....	3.9	1.5	2.8	4.0	3.8	4.9	4.5	3.5
For other kind of job.....	4.1	14.9	7.1	3.9	3.6	2.3	1.4	.7
Other.....	5.8	10.9	6.8	5.1	5.9	5.3	4.7	4.9
Lost job.....	44.8	31.8	39.7	55.6	44.6	41.7	40.4	31.0
Job discontinued.....	20.9	23.4	25.3	17.8	22.2	19.7	16.0	12.0
Reached company retirement age.....	10.9	3.6	26.1	8.7	7.6	8.3	4.9	65
Considered unable to work by employer.....	6.7	3.0	5.1	5.1	6.5	8.7	11.4	11.3
Other.....	6.3	5.5	5.8	6.6	7.3	5.7	4.7	2.8
<b>Retired women workers</b>								
Number <sup>3</sup> .....	2,678	129	694	519	855	374	91	16
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	*100.0	*100.0
Quit job.....	65.2	71.3	69.2	60.7	64.3	66.3	*54.9	*75.0
Unable to work.....	46.9	44.2	48.7	40.3	47.0	52.1	*47.3	*68.8
Retired voluntarily in good health.....	4.0	1.6	2.9	6.4	4.4	3.2	*2.2	*6.2
For other kind of job.....	3.0	6.2	4.5	2.5	2.3	2.1	.....	.....
Other.....	11.4	19.4	13.1	11.6	10.5	8.8	*5.5	.....
Lost job.....	34.8	28.7	30.8	39.3	35.7	33.7	*45.1	*25.0
Job discontinued.....	19.6	22.5	19.2	18.1	20.2	19.3	*22.0	*18.8
Reached company retirement age.....	5.6	1.6	3.5	12.3	4.9	3.5	*6.6	.....
Considered unable to work by employer.....	4.1	.....	3.3	3.7	4.6	5.9	*7.7	.....
Other.....	5.5	4.7	4.9	5.2	6.0	5.1	*8.8	*6.2

<sup>1</sup>Percentage distribution and median age computed on small base and therefore subject to large sampling variation.

<sup>2</sup>Excludes beneficiaries whose last covered employment before their first benefit payment had not been terminated.

<sup>3</sup>For definitions of reasons see footnotes to table 1.

<sup>4</sup>Number reporting on all items in this table. Because the number reporting on different combinations of items varies slightly from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

those who continued to work while receiving benefits qualified under the 1939 amendments.

There were some similarities and some differences in the reasons for their retirement given by the 1939 eligibles and the 1950 eligibles. Thus while the overall proportions of beneficiaries who had quit and of those who had lost their jobs were much the same, whether they qualified under the 1939 or the 1950 amendments, the proportions who had quit or lost their jobs for specified reasons were not always the same. For example, relatively half as many men with 1950 eligibility as with 1939 eligibility had retired voluntarily in good health, and relatively only a tenth as many 1950 eligibles as 1939 eligibles had lost their jobs when they reached the company retirement age. On the other hand, proportionately many

more 1950 eligibles than 1939 eligibles had left their last covered employment before their first benefit payment for other kinds of work or because their jobs had been discontinued.

Incapacity for work was as important a reason for retirement among the 1950 eligibles as among the 1939 eligibles. This similarity in experience is not surprising when it is remembered that the 1950 eligibles had been terminating their covered employment over the same period as the 1939 eligibles although they had to wait, sometimes years, before the 1950 amendments made it possible for them to qualify for benefits.

### Benefit Status

Retired workers whose benefits were suspended a month or more during the survey year said they had left

covered employment originally for reasons different from those given by the men and women whose benefits were paid throughout the entire 12-month period. This difference was to be expected in view of the fact that for those under age 75 most suspensions occurred because the beneficiaries had returned to covered employment and earned more than \$50 a month.<sup>10</sup> Twelve percent of the men and 8 percent of the women had benefit suspensions during the survey year.<sup>11</sup>

Of the beneficiaries with suspensions, slightly more than 2 in 5 had retired of their own accord, but of those with no suspensions 56 percent of the men and 66 percent of the women had quit. Relatively only half as many beneficiaries with suspensions as with no suspensions had quit because they were unable to work. On the other hand, twice as many with suspensions as with no suspensions had lost their jobs because the jobs were discontinued or they were dismissed by the employer for other reasons.

In general, therefore, it may be said that most of the beneficiaries whose earnings in covered employment in any month of the survey year were sufficient to cause a suspension of benefits had originally left covered employment for ordinary turnover reasons; they hoped and expected to return to work. Most of the beneficiaries with no suspensions had left because they were unable to continue working, or had retired in good health because they wanted to, or had reached the company retirement age; by and large they were out of the labor force for good.

<sup>10</sup>A few suspensions during the survey year were for earlier covered employment earnings or were penalties for violating certain provisions of the Social Security Act. A few additional suspensions may have occurred in 1952 because of self-employment earnings in 1951 exceeding \$600, which were not reported until the beneficiaries' income-tax returns were made in March 1952.

<sup>11</sup>Some beneficiaries whose benefits were not suspended during the survey year may, of course, have had suspensions in earlier years or in years following the period covered by the 1951 survey. Employment after the original termination of covered employment up to the time of the survey is discussed later in this article.

## Age at Job Termination

The great majority of beneficiaries were at least 65 years old when they retired; 8 in 10 men and 7 in 10 women whose jobs had been terminated before their first benefits were paid reported they had been aged 65 and over at the time. The distribution of beneficiaries by age at job termination is shown below.

Age	Retired workers	
	Men	Women
Total (percent).....	100.0	100.0
Under 60.....	1.7	4.8
60-64.....	17.6	25.9
65.....	20.1	19.4
66-69.....	34.4	31.9
70-74.....	18.8	14.0
75-79.....	6.1	3.4
80 and over.....	1.2	.6

The men's median age at retirement was 67, whether they had quit their jobs of their own accord or had lost them on the initiative of the employer (table 2). The men who had quit to take other kinds of work or had been dropped because they had reached the company retirement age were the youngest, on the average, when they stopped working; they were aged 65. Half the men who had retired for each of the other specified reasons had been employed after they reached their sixty-seventh or sixty-eighth birthday.

Most of the men who had retired at age 65 had lost their jobs; most of those who were younger and older had quit of their own accord. While incapacity for work was the most important single reason for job terminations at all ages, it was responsible for a much smaller proportion at age 65 than at other ages. A fourth of the men aged 65 at retirement—relatively three or more times the number in any other age group—had been dismissed by the employer because they had reached the company retirement age. No men younger than age 60 had lost their jobs because of their age. Compulsory retirements at ages older than 65 were accounted for partly by higher company-specified ages, partly by the retention of workers beyond a specified retirement age during periods of acute labor shortage or because of the particular

Table 3.—Percentage distribution of retired workers at end of survey year 1951 by reason for termination of last covered employment before first benefit payment, by eligibility status and year of first benefit<sup>1</sup>

Reason for termination of employment <sup>2</sup>	Total	1939 eligibles <sup>3</sup> whose first benefit payment was in—							1950 eligibles <sup>4</sup>
		Total	1940-41	1942-43	1944-45	1946-47	1948-49	1950	
<i>Retired men workers</i>									
Number <sup>5</sup> .....	12,081	10,686	782	663	1,408	2,876	3,485	1,472	1,395
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Quit job.....	55.3	55.1	52.7	61.5	63.7	54.1	52.9	52.6	56.2
Unable to work.....	41.5	41.5	37.7	45.6	48.1	40.8	40.2	39.9	41.4
Retired voluntarily in good health.....	3.9	4.2	5.1	5.7	5.6	3.8	3.7	3.3	1.6
For other kind of job.....	4.1	3.8	4.1	4.2	4.7	3.8	3.3	3.4	6.6
Other.....	5.8	5.7	5.8	6.0	5.3	5.6	5.7	5.9	6.6
Lost job.....	44.7	44.9	47.3	38.5	36.3	45.9	47.1	47.4	43.8
Job discontinued.....	20.9	19.7	16.2	18.3	18.3	20.0	21.2	19.7	29.5
Reached company retirement age.....	10.9	12.1	15.7	9.4	9.1	12.7	11.9	13.6	1.2
Considered unable to work by employer.....	6.7	6.8	9.3	5.9	4.8	6.8	6.9	7.4	6.0
Other.....	6.3	6.2	6.0	5.0	4.1	6.4	7.0	6.7	7.1
<i>Retired women workers</i>									
Number <sup>5</sup> .....	2,690	2,050	152	142	220	508	696	332	640
Total percent.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Quit job.....	65.3	65.6	64.5	69.7	76.8	69.5	62.1	58.4	64.4
Unable to work.....	47.0	47.9	48.7	47.9	51.8	51.2	46.0	44.0	43.9
Retired voluntarily in good health.....	4.0	4.3	6.6	5.6	8.6	3.9	3.4	2.1	3.1
For other kind of job.....	3.0	2.4	1.3	.7	3.6	1.8	2.9	3.0	4.8
Other.....	11.3	11.0	7.9	15.5	12.7	12.6	9.8	9.3	12.5
Lost job.....	34.7	34.4	35.5	30.3	23.2	30.5	37.9	41.6	35.6
Job discontinued.....	19.5	18.0	17.1	16.2	11.8	15.0	21.3	21.4	24.2
Reached company retirement age.....	5.6	6.8	11.2	4.2	3.2	5.9	6.3	10.5	1.9
Considered unable to work by employer.....	4.1	4.7	3.9	2.8	4.1	4.9	5.6	3.9	2.3
Other.....	5.4	4.9	3.3	7.0	4.1	4.7	4.7	5.7	7.2

<sup>1</sup> Excludes beneficiaries whose last covered employment before their first benefit payment had not been terminated.

<sup>2</sup> For definitions of reasons see footnotes to table 1.

<sup>3</sup> Beneficiaries whose benefits were awarded under the 1939 amendments to the Social Security Act.

<sup>4</sup> Beneficiaries whose benefits were awarded for

September 1950 under the 1950 amendments to the Social Security Act.

<sup>5</sup> Number reporting on all items in this table. Because the number reporting on different combinations of items varies from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

circumstances of individual workers, and partly, perhaps, by erroneous reporting.

Men who had left their jobs before they were aged 60 more often than older men had quit for other kinds of work or for reasons other than incapacity; fewer had been laid off because the employer considered them no longer able to work. On the other hand, as the age at retirement increased after 65, the proportion of men who had quit because they were unable to work also increased, but the proportion of those who had quit in good health because they wanted to remained about the same. Except among those aged 65-69 at retirement, more men had quit their jobs for incapacity than had been dismissed by the employer for all reasons combined.

The median age at retirement was

the same for the women who had been dismissed because of age as for the men—65. Otherwise the retired women workers on the average were younger than the men; their median age for all the reasons for retirement combined was 65. At the various ages, however, the differences in the distribution of women by reason for job termination were similar to the men's. None of the women over age 75 reported quitting to look for another job, and none under age 60 said her employer had dismissed her because he thought her no longer able to work.

## Year of First Benefit Payment

During the years since workers in industry and commerce were first covered for benefits under the old-age and survivors insurance program, a variety of circumstances has con-

**Table 4.—Percentage distribution of retired workers at end of survey year 1951 by full-time reemployment<sup>1</sup> after termination of last covered employment before first benefit payment, by reason for termination<sup>2</sup>**

Full-time reemployment	Reason for termination of last covered employment before first benefit payment <sup>2</sup>				
	Total	Quit job			Lost job
		Total	Unable to work	All other reasons	
All beneficiaries					
Retired men workers	12,073	6,671	5,010	1,661	5,402
Number <sup>4</sup> .....	100.0	100.0	100.0	100.0	100.0
Total percent.....	78.4	80.6	87.2	60.6	75.8
Never reemployed full time.....	10.9	10.0	7.9	16.1	12.0
Reemployed, later terminated.....	10.7	9.5	4.9	23.4	12.2
Still employed <sup>3</sup> .....					
Retired women workers	2,688	1,756	1,263	493	932
Number <sup>4</sup> .....	100.0	100.0	100.0	100.0	100.0
Total percent.....	88.8	90.6	93.4	83.4	85.5
Never reemployed full time.....	6.1	5.7	4.2	9.5	7.0
Reemployed, later terminated.....	5.0	3.7	2.4	7.1	7.5
Still employed <sup>3</sup> .....					
Beneficiaries with full-time reemployment					
Retired men workers	2,604	1,296	641	655	1,308
Number <sup>4</sup> .....	100.0	100.0	100.0	100.0	100.0
Total percent.....	50.4	51.3	62.1	40.8	49.5
Never reemployed full time.....	49.6	48.7	37.9	59.2	50.5
Reemployed, later terminated.....					
Still employed <sup>3</sup> .....					
Retired women workers	300	165	83	82	135
Number <sup>4</sup> .....	100.0	100.0	*100.0	*100.0	100.0
Total percent.....	55.0	60.6	*63.9	*57.3	48.1
Never reemployed full time.....	45.0	39.4	*36.1	*42.7	51.9
Reemployed, later terminated.....					
Still employed <sup>3</sup> .....					

\*Percentage distribution computed on small base and therefore subject to large sampling variation.

<sup>1</sup> Noncovered employment before and after entitlement to old-age benefits and covered employment after entitlement that provided regular work for 35 hours or more a week for at least 6 consecutive months. This employment may later have been terminated.

<sup>2</sup> Excludes beneficiaries whose last covered employment

before their first benefit payment had not been terminated.

<sup>3</sup> For definitions of reasons see footnotes to table 1.

<sup>4</sup> Number reporting on all items in this table. Because the number reporting on different combinations of items varies slightly from one table to another, there may be slight variations in numbers and percentages that apparently should be the same.

<sup>5</sup> At end of survey year.

tributed both to their employment and their retirement. In January 1937, when the program started, the country was pulling out of a great depression; in January 1940, when monthly benefits were first paid, economic conditions were much the same, after a setback in 1938; but in 1941 conditions were considerably better as the defense program got under way. With the war years came a tight labor market in which almost anyone could find a job. After the war the demand for labor did not recede to its prewar level, although the return to peacetime pursuits of men and women who had been in the Armed Forces or otherwise employed in the war effort reduced the demand for all kinds of marginal workers.

It is therefore of interest to see what connection, if any, there was between the reasons elderly workers gave for leaving their jobs and the labor-market situation as indicated by the year in which the job terminations occurred, and to determine if over the years there has been any observable trend in job terminations for specified reasons. For this purpose the year of first benefit payment is taken to be representative of the year of job termination and comparisons are made of the 1939 eligibles only.

Most retired men and women in the survey became entitled soon after their covered employment was terminated. Some, of course, had stopped working before they were aged 65,

and a few who had retired during the late years of the depression, although aged 65 and fully insured, did not draw their benefits immediately because monthly payments did not start until January 1940. On the whole, however, for those beneficiaries who qualified under the 1939 amendments, the change in status from employed worker to retired worker occurred in a month or two.<sup>12</sup> The year in which benefits were first paid is the same as and representative of the year in which jobs were terminated.

This was not the situation, however, for many of the retired workers who qualified in September 1950 under the 1950 amendments, since often they had stopped working in covered employment years before that date. For these beneficiaries there could be little if any connection between industrial conditions prevailing when their benefits were first paid and the reasons they left their last covered employment, often months or years previously. That is why the analysis of reasons for retirement by year of first benefit payment is made only for the 1939 eligibles.

The beneficiaries in the 1951 survey are a sample of retired workers entitled to benefits in specified years who could be interviewed late in 1951. In considering the reasons for retirement given by beneficiaries entitled in each biennium, it should be remembered that, because of deaths, the 1951 sample is less representative of all beneficiaries entitled in the earlier years than in the more recent years.

Except for the war period the comparative importance of the various reasons given by the beneficiaries for originally leaving their covered jobs was much the same regardless of the years in which their benefits were first paid; for each biennium relatively a few more men said they had quit their jobs than said they had lost them (table 3). During the war

<sup>12</sup> Eligible workers may file claims several months after their covered employment has been terminated without loss of benefits because of the delayed application. From January 1940 to September 1950 the period of grace was 3 months; in September 1950 it was increased to 6 months. The 1954 amendments added additional months until the maximum of 12 was reached in February 1955.



years, however, with their abnormal demand for manpower, the proportion of voluntary quits rose significantly and reached a peak of 64 percent in 1944-45. At that time employers did not always follow their own rules as to dismissal for age attainment and often found they could use older workers who under other circumstances might have been dismissed for incapacity. The job separations that did occur were initiated mostly by the employees—primarily, they said, because they were not able to continue working.<sup>13</sup>

After the war, work incapacity as a reason for retirement of old-age beneficiaries assumed only a little greater importance than it had before the war, and job discontinuances by the employer became somewhat more numerous. On the other hand, the increase that was sometimes anticipated in the proportion of workers who retire in good health for more leisure did not occur, and there was no increase in the proportion of compulsory retirements for age.<sup>14</sup>

The reasons for the retirement of

<sup>13</sup> These figures differ in some respects from the reports of 3,500 beneficiaries interviewed in surveys made by the Bureau of Old-Age and Survivors Insurance between 1941 and 1949 in 20 large and middle-sized cities. See Margaret L. Stecker, "Beneficiaries Prefer to Work," *Social Security Bulletin*, January 1951, pp. 15-17. According to the earlier reports, slightly more than half the men who had retired just before and just after the war said they had lost their jobs; in the 1951 survey slightly more than half the men said they had quit their jobs in those years of their own accord. For the war years, voluntary retirements were reported at an even higher level in the 1941-49 surveys than in the one made in 1951.

The differences between the findings of the earlier and later surveys are small, however, and the relative importance of the various reasons for retirement is much the same. Both studies show that, except for the war period, when the figures for voluntary quits were higher than for earlier or later years, the beneficiaries were about evenly divided between those who had left their jobs of their own accord and those who had been dismissed by their employers. There is no doubt that during the war years more beneficiaries had quit their jobs than had lost them.

<sup>14</sup> The effect of recently adopted pension programs in private industry was not apparent in the 1951 survey and probably will not be fully realized for a number of years.

the women old-age beneficiaries followed the general pattern of the men's, except that in each biennium relatively more women quit of their accord. The gap between the proportion of each sex retiring for work incapacity was smallest during the war years, primarily because of the high level of incapacity retirements among the women before and after that period.

### Postretirement Employment

Although most old-age beneficiaries are truly retired and out of the labor force for good when they are paid their first benefits, a few are later reemployed. In the 1951 survey there were retired men and women who went directly from covered to noncovered employment or who later took noncovered jobs; there were also some who later took covered jobs, giving up their benefits in favor of the larger incomes provided by wages. For some retired workers, old-age benefits served as a kind of unemployment, sickness, or disability insurance that supplied funds during temporary loss of earnings; beneficiaries who drew their benefits in such circumstances usually went back to work as soon as they could.

The extent of postretirement employment varied widely with the reasons beneficiaries gave for leaving covered employment in the first place and the kinds of work they did afterwards; an odd job here or there, regular work part time or for a short period, or a full-time job that lasted for months or years. The reemployment of beneficiaries is considered here only briefly and only in relation to the reasons for their retirement. Their employment during the survey year will be considered in detail in a later article.

### Subsequent Full-Time Reemployment

Only a fifth of the men and a tenth of the women in the 1951 survey ever worked full time<sup>15</sup> after their retirement (table 4). The men who had

<sup>15</sup> "Full-time employment" as used in this article means regular employment for at least 35 hours a week for a period of at least 6 consecutive months. The employment may have been noncovered or covered, before or after entitlement to old-age benefits.

quit their covered jobs originally for reasons other than impaired work capacity were much more apt to be employed later than were those who had lost their jobs or had quit because they were not able to continue working. When they were interviewed at the end of 1951, relatively twice as many men who had quit for reasons not related to their health as had lost their jobs reported that they had worked regularly at least 35 hours a week for at least 6 months and were still thus employed. Only 5 percent who had quit originally for incapacity were then in full-time jobs.

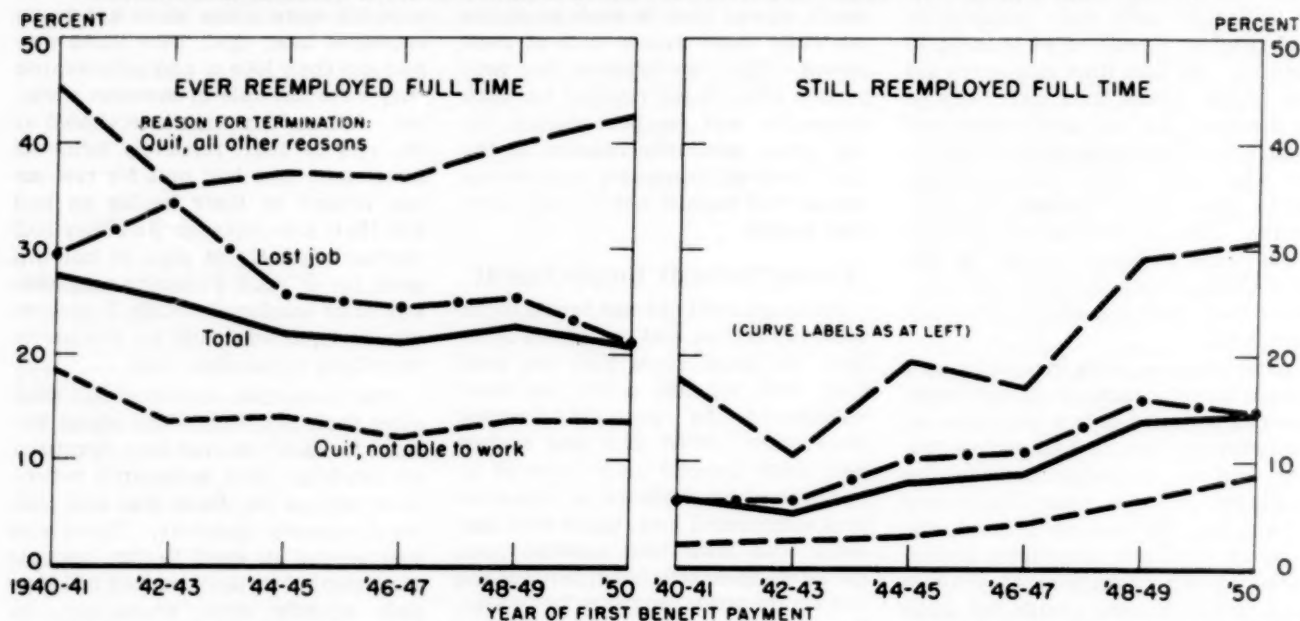
The proportion employed full time after their retirement was about the same for men who had been dismissed on reaching their company's retirement age as for those who had quit for incapacity (table 5). Those who had retired in good health, because they wanted to, later worked full time only slightly more frequently; in other words, most of the men who had stopped working in order to have more leisure in their later years had retired for good.

In contrast, beneficiaries whose jobs had been terminated for ordinary labor turnover reasons much more frequently returned later to full-time employment. The percentages reemployed full time among those who had retired for each of these reasons were as follows: quit for other kind of work, 60 percent; quit for "other reasons," 39 percent; lost job because it was discontinued, 30 percent; lost job for "other reasons," 36 percent.

Not more than 1 in 4 men who retired between the ages of 65 and 69 and not more than 1 in 5 who had retired at ages under 65 subsequently returned to a full-time job. Of the men aged 70 and over when they retired, the proportion later working full time regularly decreased as their ages increased.

The reasons beneficiaries of a certain age retired sometimes seemed to account for their reemployment more than did the age itself, sometimes not. For example, only 1 in 12 men who had quit when they were under age 65 because they were not able to work subsequently had full-time jobs—a percentage smaller than for the men in any age group except

Chart 1.—Percent of retired men workers at end of survey year 1951 reemployed full time<sup>1</sup> after termination of last covered employment before first benefit payment, by reason for termination and year of first benefit<sup>2</sup>



<sup>1</sup> Covered and noncovered employment that provided regular work for 35 hours or more a week for at least 6 consecutive months.

<sup>2</sup> Excludes beneficiaries entitled under 1950 amendments and beneficiaries whose employment had not been terminated.

75 and over. The great majority of these younger men were really disabled and out of the labor force for good when they originally left covered employment. Two-thirds of the men who had quit when they were under age 65 for another kind of job, however, later worked full time—a ratio larger than for any other age group.

Retired men in the 1951 survey whose benefits were first paid before 1944 were later reemployed full time somewhat more frequently (25-28 percent) than those whose payments began in that year and later (21-22 percent) (chart 1). To some extent the difference in full-time employment was associated with the reasons for retirement from one biennium to the next. The men who had left of their own accord in 1940-41, although still able to work, were more frequently reemployed full time than those who had quit under similar circumstances in later years. More men who had left for this reason than for any other in each 2-year period were reemployed.

Beneficiaries entitled in 1940-43 who were able to work were probably unemployed only a short time before the demands of defense and war oper-

ations called them back to supplement the current labor force and to take the places of younger men who went into the Armed Forces. When the emergency was over they dropped out again, and at the end of 1951 relatively fewer of these earliest retirees (5-6 percent) than of those whose first benefits were paid in the later years (8-14 percent) were still employed full time.

Beneficiaries most frequently working full time when they were interviewed at the end of 1951 were in general the ones who had become entitled in the immediately preceding years. Because of the recency of their retirement they were the youngest group in the survey and therefore perhaps the most employable. Even so, however, only a seventh of the men whose benefits were first paid in 1948-49 and 1950 were thus employed.

Many of the beneficiaries who were employed full time when interviewed in 1951 had probably quit or lost their jobs originally under circumstances of short duration. Layoffs in the seasonal trades, work accidents and other incapacitating conditions, strikes, crises in the home, and numerous other circumstances that pre-

vented fully insured individuals aged 65 and over from earning more than the permitted maximum in a given month caused them to become entitled and obtain their first benefits. Benefits first paid for such a month were often suspended later when the beneficiaries were again employed. Three in 10 men in the 1951 survey who had quit their covered jobs for reasons other than their health and had been paid their first old-age benefits in the 3 years immediately preceding 1951 had later been reemployed full time and were still employed full time at the end of that year.

Men whose benefits were first paid for September 1950 under the 1950 amendments worked full time less frequently following the termination of their last covered employment than did beneficiaries who had retired at any time under the 1939 amendments. This difference is, no doubt, an indication of the large proportion of beneficiaries qualifying under the 1950 amendments who had had no significant attachment to the labor market in recent years.

The full-time reemployment experience of the women beneficiaries cannot be so closely connected with the reasons for their retirement as

**Table 5.—Percent of retired workers at end of survey year 1951 reemployed full time<sup>1</sup> after termination of last covered employment before first benefit payment, by reason for termination and age at termination<sup>2</sup>**

Reason for termination of last covered employment before first benefit payment <sup>3</sup>	Age at termination of employment					
	Total	Under 65	65	66-69	70-74	75 and over
<i>Retired men workers</i>						
Total percent.....	21.6	20.9	24.3	24.9	17.8	10.4
Quit job.....	19.4	19.2	23.0	22.3	16.0	9.1
Unable to work.....	12.8	7.7	15.9	16.3	12.2	6.7
Retired voluntarily in good health.....	17.4	*19.4	*14.6	20.9	15.3	*13.2
For other kind of job.....	60.5	65.7	*60.0	59.7	*47.2	*54.5
Other.....	39.4	38.0	44.4	43.2	35.8	*19.0
Lost job.....	24.3	23.6	25.4	28.0	20.2	12.3
Job discontinued.....	30.0	24.3	38.4	34.3	24.5	17.0
Reached company retirement age.....	14.2	*19.7	15.4	14.7	9.9	*5.9
Considered unable to work by employer.....	11.7	11.4	13.8	13.1	11.2	7.0
Other.....	35.7	33.1	39.0	38.3	33.1	*20.5
<i>Retired women workers</i>						
Total percent.....	9.6	7.2	12.5	11.0	7.8	9.5
Quit job.....	6.9	4.9	7.5	9.0	6.1	*8.3
Unable to work.....	4.3	2.1	2.9	5.7	6.2	*9.6
Retired voluntarily in good health.....	7.4	*4.5	*3.0	*13.2	*8.3	*0
For other kind of job.....	*28.6	*25.0	*20.0	*38.9	*28.6	*0
Other.....	12.9	9.5	*23.3	*15.7	*0	*0
Lost job.....	14.5	12.4	20.1	14.4	11.1	*11.1
Job discontinued.....	16.2	13.6	*26.6	13.9	*12.5	*21.7
Reached company retirement age.....	6.6	*7.7	*6.2	*9.5	*0	*0
Considered unable to work by employer.....	8.2	*17.4	*15.8	*5.1	*0	*0
Other.....	21.2	*7.5	*33.3	*27.5	*26.3	*0

\*Percentage computed on small base and therefore subject to large sampling variation.

<sup>1</sup> Noncovered employment before and after entitlement to old-age benefits and covered employment after entitlement that provided regular work for 35 hours or more a week for at least 6 consecutive

months. This employment may later have been terminated.

<sup>2</sup> Excludes beneficiaries whose last covered employment before their first benefit payment had not been terminated.

<sup>3</sup> For definitions of reasons see footnotes to table 1.

that of the men. At the end of the survey year proportionately only half as many women (5 percent) as men (11 percent) had worked regularly 35 hours a week or more for at least 6 months after their retirement and were still employed full time. Over the years of entitlement from 1 biennium to the next, the trend of the women's full-time reemployment was much the same as the men's but at a lower level. The number of women in many of the classification groups that are compared is too small, however, to attach much significance to the findings.

The observable differences between retired men and women workers in the extent of full-time reemployment are not explained by notable differences in the relative importance of the reasons for the termination of their last covered employment before their first benefits or by any connection between these reasons and reemployment. They are more likely to be attributable to differences in the

nature of the employments that are open to elderly men and women and that they are equipped to take and to differences in their work capacities and in the general state of the labor market.

### Employment During Survey Year

A record of regular work for at least 35 hours a week, lasting for at least 6 consecutive months, as a measure of the employment possibilities of old-age beneficiaries is a fairly stiff test to apply to the rank and file of men and women aged 65 and over who have once retired from the labor force. Another study was made, therefore, using a much looser definition of employment—that is, any kind of gainful work during the 12 months preceding the interview, regardless of its regularity or the number of weeks it covered, provided it yielded \$1 or more in wages or was self-employment. A third of the retired men and a fourth of the re-

tired women in the 1951 survey had some employment as thus defined (table 6).

They may have worked a few hours, a few days, a few weeks, or the entire year. Their numbers are considerably larger than the numbers with full-time jobs at the end of the year that had lasted for at least 6 months, principally because of the great difference between the definitions of full-time employment and employment of any kind but also because some beneficiaries employed full time during the year were not thus employed at the end.

Most beneficiaries who had not worked at all during the year considered themselves incapacitated when interviewed at the end of the year; only an eighth of these nonemployed men claimed to be employable and were interested in jobs. Some said there was no use looking for jobs at their ages.

The relationship of reasons for retirement to employment during the survey year was much the same as their relationship to full-time reemployment. Where the beneficiaries had left their covered jobs originally because they were sick, disabled, tired out, or otherwise incapacitated, choice played little part in their decisions about employment, except as those who recovered were able to take their places once more in the labor force. A fifth of the men and women who had quit because they were unable to work had some employment during the survey year; nearly all the others said at the end of the year they were still incapacitated.

Approximately 2 in 5 men who had lost their jobs originally through termination by the employer had worked during 1951. Of those who had not worked, 2 in 3 reported themselves as unable to do so at the end of the year, and twice as many of the nonemployed who said they were able to work wanted jobs as did not.<sup>10</sup>

Half the men who had quit their jobs originally for reasons other than impaired work capacity had some em-

<sup>10</sup> Reasons for job terminations by the employer have not been broken down to show for this analysis of employment during the survey year how many workers had been released because the employer considered them incapacitated.



ployment during 1951; the other half were equally divided between those who said they were and those who said they were not able to work at the end of the year.

Relatively somewhat fewer women than men who were not employed during 1951 considered themselves able to work and wanted a job at the end of the year. Of the nonemployed who had lost their jobs, fewer women than men were also in this category. Among the nonemployed who had quit their jobs for reasons other than impaired work capacity, however, the same proportions of women and men said they were able and willing to work.

Age, of course, is an important factor in the possibility of employment for old people even though it is not always an indication of work capacity. Of all the retired workers who reported on the reasons for their job terminations and reemployment experience (including the few whose jobs had not been terminated on entitlement), 31 percent of the men and 42 percent of the women were less than 70 years old when interviewed at the end of 1951. Of those who were employed during the survey year or who were not employed but considered themselves able to work at the end of the year, 38 percent of the men and 50 percent of the women were under age 70. Of those who were not employed during the year and considered themselves unable to work at the end of the year, 25 percent of the men and 36 percent of the women were in this younger old-age group.

### Summary

Voluntarily quitting work to enjoy a life of leisure is rare among old-age insurance beneficiaries. Relatively few who are able to work choose retirement, although once having stopped working for other reasons, a few additional men and women apparently find satisfaction in their retirement. Only 4 percent of all the old-age beneficiaries in the 1951 survey said they had left covered employment 1-12 years earlier in good health, because they wanted to. When they were interviewed at the end of the year, some of the 4 percent were still in good health and

**Table 6.—Percentage distribution of retired workers by employment<sup>1</sup> during survey year 1951, work capacity, and attitude toward employment at end of year, by reason for termination of last covered employment before first benefit payment<sup>2</sup>**

Reemployment during survey year, work capacity, and attitude toward employment at end of year	Reason for termination of last covered employment before first benefit payment <sup>1</sup>				
	Total	Quit job			Lost job
		Total	Unable to work	All other reasons	
All beneficiaries					
Number <sup>4</sup> <i>Retired men workers</i>	12,057	6,665	5,009	1,656	5,392
Total percent	100.0	100.0	100.0	100.0	100.0
Reemployed	32.8	28.3	21.0	50.3	38.4
Not reemployed	67.2	71.7	79.0	49.7	61.6
Unable to work	52.8	62.1	74.4	24.9	41.3
Able to work	14.4	9.6	4.6	24.8	20.4
Not wanting work	5.9	5.3	1.2	17.8	6.6
Wanting work	8.5	4.3	3.4	6.9	13.8
Number <sup>4</sup> <i>Retired women workers</i>	2,682	1,752	1,259	493	930
Total percent	100.0	100.0	100.0	100.0	100.0
Reemployed	24.9	21.9	18.6	50.4	30.4
Not reemployed	75.1	78.1	81.4	49.6	69.6
Unable to work	60.5	66.7	77.4	39.6	48.7
Able to work	14.7	11.4	4.1	30.0	20.9
Not wanting work	7.6	6.8	1.2	21.1	9.1
Wanting work	7.0	4.6	2.9	8.9	11.7
Beneficiaries not reemployed during survey year					
Number <sup>4</sup> <i>Retired men workers</i>	8,103	4,780	3,957	823	3,323
Total percent	100.0	100.0	100.0	100.0	100.0
Unable to work	78.6	86.6	94.2	50.2	67.0
Able to work	21.4	13.4	5.8	49.8	33.0
Not wanting work	8.8	7.4	1.5	35.8	10.7
Wanting work	12.7	5.9	4.3	14.0	22.3
Number <sup>4</sup> <i>Retired women workers</i>	2,015	1,368	1,025	343	647
Total percent	100.0	100.0	100.0	100.0	100.0
Unable to work	80.5	85.5	95.0	56.9	70.0
Able to work	19.5	14.5	5.0	43.1	30.0
Not wanting work	10.1	8.7	1.5	30.3	13.1
Wanting work	9.4	5.8	3.5	12.8	16.8

<sup>1</sup> Covered and noncovered employment of any kind and duration.

<sup>2</sup> Excludes beneficiaries whose last covered employment before first benefit payment had not been terminated.

<sup>3</sup> For definitions of reasons see footnotes to table 1.

enjoying their retirement, some had worked during the survey year, and some were ill and unable to work. Other beneficiaries who had originally quit their covered jobs for various reasons or had been laid off by their employers said they had not been employed during the year, although they were able to work, and did not want a job. Altogether, regardless of the reasons for their retirement, 6 percent of all the old-age

beneficiaries in the 1951 survey had not worked during the year, considered themselves able to work at the end of the year, and were not interested in working.

Most men and women who voluntarily quit covered employment for old-age benefits are too old, too weak, too tired, or otherwise too incapacitated to keep on working. Nearly half the old-age beneficiaries in the

(Continued on page 35)

# Old-Age and Survivors Insurance: History of the Benefit Formula

by ROBERT J. MYERS\*

WITH the enactment of the Social Security Amendments of 1954, five different formulas for the determination of benefit amounts under the old-age and survivors insurance program have been in existence. This article will describe the several formulas and then analyze how they would apply to various illustrative wage histories. For these purposes the benefit formula will be construed broadly to include not only the formula itself but also the applicable minimum and maximum provisions. The other important feature in benefit determination is the average monthly wage<sup>1</sup> to which the benefit formula is applied; this factor must necessarily be considered, but the detailed basis for calculating the average monthly wage will not be discussed.

## Formula of Various Laws

The benefit formula contained in the original Social Security Act never became operative, since before monthly benefits became payable it was superseded by the formula in the 1939 act. The formula established by the 1950 amendments went into effect in April 1952, but after 5 months of operation it was replaced by the formula in the 1952 act. That formula, in turn, was virtually superseded by the new formula in the 1954 amendments. The 1952 formula continues to be used, however, since it serves as a minimum guarantee. Chart 1 sets forth the specific benefit formulas, with a general description of the basis for computing the average monthly wage used in the formula.

Supplementary information about each of these formulas is given in table 1, which shows the minimum

and maximum old-age benefits (the amount payable to a retired worker), the minimum and maximum family benefits, and minimum and maximum lump-sum death payments. In considering this table and also in the subsequent discussion, the major distinction between the benefit provisions in the 1935 law and those in subsequent legislation should be kept in mind. The original act provided only retirement benefits for the insured worker, while the amendments have in addition provided supplementary benefits for the dependents of a retired worker and for survivors of deceased workers. The 1939 legislation adjusted the benefit amounts so that retired workers without dependents receive in the long run less than they would have been paid under the original law and retired workers with dependents receive more.

It should also be borne in mind that

the 1950 legislation gave increasing recognition to presumptive family needs when it raised current benefit levels and at the same time eliminated the increment provision (1-percent increase for each year of coverage). An increment results in the payment of larger benefits in the later years of the program than in the early ones.

In the 20 years since the original law was enacted, the minimum old-age benefit has tripled, while the maximum old-age benefit has gone up only about 28 percent. In fact, the formulas in each of the first three major amendments resulted in a maximum old-age benefit equal to or less than the original amount. As indicated previously, however, consideration of the adequacy of the benefits cannot be viewed solely in terms of the changes in the old-age benefits. The institution in the 1939 act of family benefits for dependents and survivors resulted in a better distribution of social protection at roughly the same aggregate cost.

A married man has the protection both before and after retirement not only of monthly benefits for his survivors but also of supplementary benefits for eligible dependents that are available at his retirement. Specifically, for a retired worker whose wife is eligible and is not entitled to a benefit based on her own earnings, the maximum family benefit was raised 92 percent by the 1954 act from the amount payable under the 1935 act; the increase for a worker without an eligible wife was only 28 percent.

The minimum family benefit has likewise tripled since 1940, when these benefits were first paid, while the maximum family benefit is about two and one-third times what it originally was. The reduction in the maximum old-age benefit from \$85 in the 1935 act to \$60, in effect, in the 1939 act is less significant than it might at first appear because at

Chart 1.—Benefit formulas under the Social Security Act and its amendments

Year of legislation	Monthly benefit for retired worker	Period over which average monthly wage is computed
1935...	$\frac{1}{2}\%$ of first \$3,000 of cumulative wage credits + $\frac{1}{2}\%$ of next \$42,000 + $\frac{1}{4}\%$ of next \$84,000.	(1).
1939...	40% of first \$50 of average monthly wage + 10% of next \$200, all increased by 1% for each year of coverage.	Entire period of potential coverage under system.
1950...	50% of first \$100 of average monthly wage + 15% of next \$200.	Entire period of potential coverage under system after 1950.
1952...	55% of first \$100 of average monthly wage + 15% of next \$200.	Entire period of potential coverage under system after 1950.
1954...	55% of first \$110 of average monthly wage + 20% of next \$240.	Entire period of potential coverage under system after 1950, excluding periods of extended disability and 4 or 5 years of lowest earnings.

<sup>1</sup> Not applicable.

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<sup>1</sup> According to the terminology in the law, covered self-employment income is combined with covered wages earned as an employee to determine the "average monthly wage."

**Table 1.—Minimum and maximum benefit provisions under the Social Security Act and its amendments**

[Monthly amounts except for lump-sum death payments]

Item	Year of legislation				
	1935	1939	1950	1952	1954
Minimum old-age benefit <sup>1</sup>	\$10.00	\$10.00	\$20.00	\$25.00	\$30.00
Maximum old-age benefit <sup>1</sup>	85.00	<sup>2</sup> 60.00	80.00	85.00	108.50
Minimum family benefit <sup>3</sup>	(4)	10.00	15.00	18.80	30.00
Maximum family benefit <sup>3</sup>	(4)	85.00	150.00	168.80	200.00
Minimum lump-sum death payment <sup>4</sup>	(7)	60.00	60.00	75.00	90.00
Maximum lump-sum death payment	(7)	<sup>2</sup> 360.00	240.00	255.00	255.00

<sup>1</sup> Payable to retired worker.

<sup>2</sup> Assumes that 50 years of coverage is the maximum possible.

<sup>3</sup> Total benefit payable to retired worker and dependents or to all survivor beneficiaries.

<sup>4</sup> No benefits provided for dependents or survivors.

<sup>5</sup> Maximum provision of 80 percent of average monthly wage also applicable, but application may not reduce benefit to less than \$25 for 1939 law, \$40 for 1950 law, \$45 for 1952 law, and \$50 or 1½ times primary insurance amount for 1954 law. In some cases

slightly larger amounts can be paid as the result of the provision for rounding benefit amounts (to next higher 10 cents for each beneficiary).

<sup>6</sup> Under the 1939 and later laws, the lump-sum payment is made to the surviving widow or widower who lives with the deceased person at time of death. When there is no such survivor, the lump-sum payment cannot exceed burial expenses.

<sup>7</sup> No minimum or maximum provided (potential maximum was about \$5,000).

the same time a maximum of \$85 was made possible for a worker with an eligible wife.

The minimum lump-sum death payment is now only 50 percent higher than the minimum specified in 1939; the maximum is about 30 percent lower than the potential maximum under the 1939 law but only about 7 percent less than the highest amount (\$273.60) actually paid under that law.

### Benefit Computation Under Present Formula

Actually the formula prescribed in the 1954 act that is described in chart 1 is only one of three alternative methods of benefit computation, although it will be the method most often used in the future.<sup>3</sup> The average monthly wage to be used in connection with the 1954 formula is based on covered earnings in the period from 1951 on (or after the individual's attainment of age 21, if later) to the year in which he reaches age 65 or his subsequent retirement (or death, if earlier), regardless of whether he is in covered employment throughout the period. The 4 or 5 years of lowest covered earnings (5 years for those with at least 20 quar-

ters of coverage) may be ignored in the computation, and there is an additional dropout for an individual with an extended total disability.

One of the alternative methods employs the 1952 formula, with an average monthly wage computed in the same manner as under the 1954 formula except that the 4- or 5-year dropout is not allowed. The primary insurance amount thus obtained is increased by \$5, and the total, if larger than the amount derived from the 1954 formula, is the amount used. This method will rarely be employed, since it will result in a higher benefit only if the average monthly wage is less than \$130 and if the individual has had substantially level earnings in all years from 1951 on.

A third method, using the 1939 formula, is sometimes applicable. The average monthly wage again is computed in essentially the same way as under the 1954 formula, with the exception that earnings beginning in 1937 are taken into account. The 1939 formula is applied to the average thus obtained, with increment years only for the period 1937-50, and the result is then increased by use of the conversion table in the 1954 legislation.

As indicated in table 1, the maximum family benefit under the 1954 formula is \$200 a month. The maximum is not uniformly applicable, however, but varies with the average monthly wage and the resulting primary insurance amount. Thus, while

the law provides for a maximum family benefit of \$200, it also states that the maximum cannot be more than 80 percent of the average monthly wage and further stipulates that application of this percentage maximum cannot reduce the total benefits to less than the larger of \$50 or one and one-half times the primary insurance amount. This rather complicated provision can be expressed, however, in fairly simple terms; it is, in effect, four separate provisions, each applicable to a given range of average monthly wages and primary insurance amounts (table 2).

### Benefits Under Illustrative Wage Histories

Any consideration of changes in benefit levels resulting from the various amendments must take into account not only the dollar amounts payable but also those amounts as they relate to prevailing earnings levels. Throughout the following discussion the changes in the philosophy underlying the system must be kept in mind—those that resulted in the addition of family benefits and the increase in early benefits by the several revisions of the benefit formula. The most rudimentary comparison is one that relates the old-age benefit payable to the maximum creditable wage under the different formulas.

Table 3 compares benefits for a retired worker under each of the five different formulas for an individual with the maximum creditable wage who retires at the earliest time of eligibility for benefits under that formula. The monthly benefit increased from \$25.00 under the 1935 formula

**Table 2.—Maximum family benefits under the 1954 formula for selected average monthly wages and primary insurance amounts**

Average monthly wage <sup>1</sup>	Primary insurance amount <sup>2</sup>	Maximum family benefit <sup>3</sup>
\$60 or less.....	\$30.00-33.00	\$50.
61-115.....	33.60-61.50	1½ times primary insurance amount.
116-249.....	61.70-88.30	80% of average monthly wage.
250-350.....	88.50-108.50	\$200.

<sup>1</sup> Average monthly wage is always in whole dollars.

<sup>2</sup> Benefit payable to retired worker.

<sup>3</sup> Total benefit payable to retired worker and dependents or to all survivor beneficiaries.



to \$41.20 under the 1939 formula. The thinking expressed in the 1939 legislation was that the benefits paid to retired workers without eligible dependents in the early years should be higher, and—as a cost offset—amounts paid in the later years

**Table 3.—Benefits under the five formulas for worker with maximum creditable wage who retired at earliest time of eligibility for benefits under each formula**

Year of legislation	Maximum annual creditable wage	Average monthly wage	Old-age benefit	
			Monthly amount	As percent of wage
1935.....	\$3,000	\$250	\$25.00	10.0
1939.....	3,000	250	41.20	16.5
1950.....	3,600	300	80.00	26.7
1952.....	3,600	300	85.00	28.3
1954.....	4,200	350	108.50	31.0

should be lower, than those payable under the preceding formula. At the same time, for workers with eligible dependents the benefits in the early years were increased even more substantially and in the later years were maintained at roughly the same level.

The substantial increase (almost 100 percent) between benefits payable under the 1939 and 1950 formulas arose in part because of carrying further this philosophy—to pay larger benefits currently. The primary reason was undoubtedly a recognition of the substantial rise in wages and prices that had occurred during the 1940's. When benefit amounts are considered in relation to wages, it is seen that each change in the formula has resulted in a rise—from only 10 percent of the maximum creditable wage under the 1935 formula to 31 percent under the 1954 formula.

The preceding analysis, however, is incomplete and to some extent misleading, since no consideration is given to the change in the general wage level other than that directly reflected in the maximum creditable wage limit. Thus, the man who earned \$3,000 a year in 1939 had a 17-percent benefit. Such an individual in 1954 had on the average a salary of about \$8,000. The present \$108.50 maximum benefit measured against such a wage is only 13½ percent, but this, too, is not a completely valid comparison because only about half his wage is subject to contribu-

tions and thus creditable for benefit purposes.

A better basis of analysis is to relate benefits to the median wage of regular workers (those with earnings in each of the 4 quarters of a year) in the particular year in which the new formula was enacted. Such an analysis is not feasible for the 1935 formula. For the 1939 formula, three separate bases are necessary since the benefit depends not only on average wage but also on an increment for years of coverage. The first basis used for the 1939 formula is for coverage near the minimum number of

**Table 4.—Benefits under the five formulas, based on median wage<sup>1</sup> of 4-quarter workers in year of legislation**

Year of legislation	Median wage <sup>1</sup>		Old-age benefit	
	Annual	Monthly	Monthly amount	As percent of wage
<b>All workers</b>				
1939: <sup>2</sup>				
Basis I.....	\$1,113	\$93	\$25.03	26.9
Basis II.....	1,113	93	34.02	36.6
Basis III.....	1,113	93	27.70	29.8
1950.....	2,566	214	69.40	30.3
1952.....	2,950	246	79.00	30.4
1954.....	3,300	275	95.10	33.6
<b>Male workers</b>				
1939: <sup>2</sup>				
Basis I.....	1,293	108	26.57	24.6
Basis II.....	1,293	108	36.12	33.4
Basis III.....	1,293	108	29.41	27.2
1950.....	2,978	248	75.10	28.1
1952.....	3,525	294	87.30	27.7
1954.....	3,950	329	106.50	31.3
<b>Female workers</b>				
1939: <sup>2</sup>				
Basis I.....	750	62	21.84	35.2
Basis II.....	750	62	29.68	47.9
Basis III.....	750	62	24.17	39.0
1950.....	1,769	147	58.30	37.6
1952.....	1,950	162	65.70	38.4
1954.....	2,175	181	76.10	40.5

<sup>1</sup> Based on actual recorded wages of covered employees plus estimated wages in excess of taxable limit. Data for 1952 are preliminary, and data for 1954 are estimated from preliminary 1953 data (assuming a 3-percent increase for 1954 over 1953).

<sup>2</sup> The 1939 formula based benefit amount on average monthly wage plus length of coverage. Basis I assumes near-minimum coverage of 3 years, basis II assumes near-maximum coverage of 40 years, and basis III assumes 14 years of coverage (maximum for person retiring in 1950).

years; the second is for coverage close to the maximum; and the third is for 14 years of coverage—the most that a person could have had if he retired in 1950 when the new legislation of that year was being considered.

**Table 5.—Illustrative wage histories, 1937–55**

Year of employment	Scale A <sup>1</sup>	Scale B <sup>2</sup>	Scale C <sup>3</sup>
1937.....	\$899	<sup>4</sup> \$1,275	\$3,000
1938.....	832	1,211	3,000
1939.....	881	1,247	3,000
1940.....	926	1,305	3,000
1941.....	1,014	1,466	3,000
1942.....	1,127	1,703	3,000
1943.....	1,280	1,913	3,000
1944.....	1,369	1,996	3,000
1945.....	1,328	1,982	3,000
1946.....	1,394	2,031	3,000
1947.....	1,571	2,173	3,000
1948.....	1,677	2,281	3,000
1949.....	1,711	2,298	3,000
1950.....	1,760	2,376	3,000
1951.....	<sup>5</sup> 1,993	<sup>6</sup> 2,666	3,600
1952.....	<sup>6</sup> 2,060	<sup>6</sup> 2,760	3,600
1953.....	<sup>6</sup> 2,120	<sup>6</sup> 2,810	3,600
1954.....	<sup>6</sup> 2,120	<sup>6</sup> 2,810	3,600
1955 and after.....	<sup>7</sup> 2,150	<sup>7</sup> 2,850	4,200

<sup>1</sup> Actual average earnings credits of all wage workers.

<sup>2</sup> Actual average earnings credits of all 4-quarter wage workers.

<sup>3</sup> Maximum creditable earnings.

<sup>4</sup> Estimated.

<sup>5</sup> Preliminary.

<sup>6</sup> Rough estimate.

<sup>7</sup> Arbitrary assumption.

Separate analyses have been made for men and women, and figures are also given for all workers combined. Table 4 indicates that the relative benefit level based on median wages was little, if at all, affected by the 1950 and 1952 amendments, since the primary insurance amount based on the median wage of all 4-quarter workers remained close to 30 percent of such wage. In the 1954 amendments, however, relative benefit levels were significantly increased (by about 10 percent) to about 33 percent of wages.

Still another method of comparing the various benefit formulas is to show how a hypothetical individual retiring at the beginning of 1955 would fare under the 1954 formula in contrast with what he might have expected if the earlier formulas had continued in effect. The same analysis can also be made for a hypothetical individual retiring at the beginning of 1980 after a full working lifetime under the system—that is, entrance at age 22 in 1937 and retirement at age 65 in 1980.

Illustrative wage histories are given in table 5 for an individual who entered covered employment in 1937 and who was in such employment each year until he retired at the beginning of 1955 or, alternatively, 1980. The actual average creditable wage of all

**Table 6.—Benefits under the five formulas for illustrative wage histories of worker retiring at beginning of 1955**

Year of legislation	Wage assumption	Old-age benefit		Old-age benefit plus wife's benefit <sup>1</sup>	
		Monthly amount	As percent of wage at retirement	Monthly amount	As percent of wage at retirement
Using wage scale A					
1935...	Level 2....	\$25.99	35	( <sup>2</sup> )	( <sup>2</sup> )
1935...	Increasing.	34.23	19	( <sup>2</sup> )	( <sup>2</sup> )
1939...	Increasing.	31.94	18	\$47.91	27
1950...	Increasing.	60.80	34	91.20	52
1952...	Increasing.	65.80	37	98.70	56
1954...	Increasing.	73.70	42	110.60	63
Using wage scale B					
1935...	Level 2....	\$31.63	30	( <sup>2</sup> )	( <sup>2</sup> )
1935...	Increasing.	42.75	18	( <sup>2</sup> )	( <sup>2</sup> )
1939...	Increasing.	37.54	16	\$56.31	24
1950...	Increasing.	69.50	30	104.30	45
1952...	Increasing.	74.50	32	111.80	48
1954...	Increasing.	85.30	36	128.00	55
Using wage scale C					
1935...	Level 2....	\$53.75	22	( <sup>2</sup> )	( <sup>2</sup> )
1935...	Increasing.	* 53.75	18	( <sup>2</sup> )	( <sup>2</sup> )
1939...	Increasing.	47.20	16	\$70.80	24
1950...	Increasing.	80.00	27	120.00	40
1952...	Increasing.	85.00	28	127.50	42
1954...	Increasing.	98.50	32	147.80	49

<sup>1</sup> Assumes wife is eligible and is not entitled to benefit based on her own earnings record.

<sup>2</sup> At 1937 figure.

<sup>3</sup> Wife's benefit not provided under 1935 act; amount same as for old-age benefit alone.

<sup>4</sup> Same as for level-wage assumption; increased wage not creditable because of the \$3,000 maximum.

workers with any wage credits in each year is used as the basis in wage scale A. Scale B is based on the average for workers employed in all 4 quarters, and scale C on the maximum annual wage that can be credited.

These three wage scales were used in computing benefits under the various formulas for persons retiring at the beginning of 1955 (table 6) and 1980 (table 7). Account was taken, for the computations under each formula, of the actual upward trend in wages in the past; for the 1935 formula a level-wage assumption was also used, to show what the individual could have "anticipated" on the basis of his wage in 1937. The benefits are shown in dollars and also as a percentage of the wage being earned at retirement in 1955 or 1980. Both the worker's benefit and the combined

benefit for a worker and his eligible wife are computed under the 1939 and later formulas; the 1935 act, of course, provided no wife's benefit.

For workers retiring currently, there are naturally sharp increases in the dollar amount of the benefits compared with what might have been anticipated in 1937 on the basis of wages at that time. These changes are due not only to the rise in wages over the past 2 decades but also to the revision of the benefit formula. For wage scales A and B, the actual amount paid under the 1954 benefit formula for a retired worker without an eligible wife is almost three times what might have been anticipated in 1937; a more-than-fourfold increase occurs when the worker's wife is also eligible for benefits. If the 1935 act had not been amended, the benefit for a retired worker without an eligible wife would have risen by roughly \$10, or to one-third more than the amount payable if wages had remained level; as a proportion of the wage at retirement, however, it would have been almost 50 percent less.

For all three wage scales, the 1939 formula results in benefits for a currently retiring worker without an eligible wife that are almost 10 percent lower than those produced by the 1935 formula. When, however, the worker has an eligible wife who is not entitled to benefits on her own earnings record, the 1939 formula yields significantly more. This comparison shows the change in philosophy between the 1935 and 1939 acts; the earlier law provided for the same benefit amount regardless of marital status, while the latter realigned the benefit structure in recognition of presumptive family needs.

When benefits are considered in relation to wages at retirement, the 1954 formula currently produces amounts for all retired workers, including those without dependents, more favorable for the three wage scales than those that might have been anticipated under the 1935 act. The worker whose history would follow wage scale A, for example, could anticipate, on the basis of the 1935 formula and his earnings at that time, a benefit equaling 35 percent of that wage, but his own benefit under the

1954 formula is 42 percent of his final wage and is 63 percent if he has an eligible wife.

For the individual retiring at the beginning of 1980 after 43 continuous years of coverage under the system (table 7), a somewhat different picture is shown. It should be noted, however, that a level wage is assumed for the years after 1954. If wages continue to rise as they have in the past, and if the benefit formula remains unchanged, the dollar amounts of the benefits will be higher (except, of course, under wage scale C), but the benefits will be a lower proportion of the wage at retirement. No assumption based on increasing wages in the future has been made because, if this trend continues, a reappraisal of the benefit formula may be necessary.

A comparison of the 1935 and 1939

**Table 7.—Benefits under the five formulas for illustrative wage histories of worker retiring at beginning of 1980**

Year of legislation	Wage assumption	Old-age benefit		Old-age benefit plus wife's benefit <sup>1</sup>	
		Monthly amount	As percent of wage at retirement	Monthly amount	As percent of wage at retirement
Using wage scale A					
1935....	Level 2....	\$44.71	60	( <sup>2</sup> )	( <sup>2</sup> )
1935....	Increasing....	64.51	36	( <sup>2</sup> )	( <sup>2</sup> )
1939....	Increasing....	43.57	24	\$65.36	36
1950....	Increasing....	61.70	34	92.60	52
1952....	Increasing....	66.70	37	110.10	56
1954....	Increasing....	74.30	41	111.50	62
Using wage scale B					
1935....	Level 2....	\$54.09	51	( <sup>2</sup> )	( <sup>2</sup> )
1935....	Increasing....	76.06	32	( <sup>2</sup> )	( <sup>2</sup> )
1939....	Increasing....	51.25	22	\$76.88	32
1950....	Increasing....	70.40	30	105.60	44
1952....	Increasing....	75.40	32	113.10	48
1954....	Increasing....	85.90	36	128.90	54
Using wage scale C					
1935....	Level 2....	\$85.00	34	( <sup>2</sup> )	( <sup>2</sup> )
1935....	Increasing....	* 85.00	24	( <sup>2</sup> )	( <sup>2</sup> )
1939....	Increasing....	57.20	16	\$85.80	25
1950....	Increasing....	80.00	23	120.00	34
1952....	Increasing....	85.00	24	127.50	36
1954....	Increasing....	108.50	31	162.80	47

<sup>1</sup> Assumes wife is eligible and is not entitled to benefit based on her own earnings record.

<sup>2</sup> At 1937 figure.

<sup>3</sup> Wife's benefit not provided under 1935 act; amount same as for old-age benefit alone.

<sup>4</sup> Same as for level-wage assumption; increased wage not creditable because of the \$3,000 maximum.

formulas shows that the benefit paid under the latter for a worker who does not have an eligible wife and who retires in 1980 is considerably less than that under the 1935 act—the result of the different philosophy underlying the two acts. In fact, based on the wage history assumed, for each of the three scales used the benefit under the 1939 formula for a worker with an eligible wife is virtually the same as for a single individual under the 1935 act. Under the benefit formulas developed after 1939, the amounts are considerably increased, but not until the 1954 formula does the benefit based on the assumed wage history exceed the corresponding figure for the 1935 formula for all three wage scales for a worker without an eligible wife. On the other hand, the benefit amount for a worker and eligible wife is in all instances greater under the several amended formulas than the benefit under the 1935 law.

Even under the 1954 formula, the benefit for a retired worker without an eligible wife is significantly lower as a percentage of the wage at retire-

ment than the amount the individual would have anticipated on the basis of the 1935 formula and his wage at that time; the reverse is the case, to a slight extent, for a worker and eligible wife. On the basis of wage scale A, for example, the individual would have expected a retirement benefit arising from the 1935 formula and his wage at that time equal to 60 percent of that wage, but under the 1954 formula the benefit is only 41 percent (although it is 62 percent if he has an eligible wife).

### Summary

Five different benefit formulas have been prescribed for the old-age and survivors insurance system, although the first one was never operative. The first change in the benefit formula, made in 1939, reflected a change in benefit philosophy. Benefits payable in the early years of the program's operation were made relatively larger; presumptive family needs were recognized by provision of supplementary benefits for dependents; and, offsetting these two changes, benefits for long-term contributors

and for those without dependents were reduced. Although the second change (in 1950) carried further the philosophy underlying the payment of larger benefits currently by making no distinction in benefit amount based on years of coverage (for those continuously in covered employment), it consisted primarily of adjustments to changes in wage levels and the cost of living. The third change (in 1952) was also primarily a reflection of wage-level and cost-of-living changes. The fourth change, that in the 1954 amendments, reflected both an adjustment to higher wage levels and an increase of about 10 percent in the relative adequacy of the benefits.

For workers retiring currently, the benefits paid are larger than the original program would have provided, both in terms of dollars and also in relation to wage at time of retirement. The relative adequacy of the benefits was increased significantly by the 1954 amendments—a fact that is, of course, reflected by the increased financial support of the program provided by the higher ultimate contribution rates scheduled in that law.

## Notes and Brief Reports

### Assistance Expenditures per Inhabitant, 1953-54

The amount expended per inhabitant for public assistance payments is determined by the proportion of the population that has received assistance during the year and the average amount of assistance granted per recipient. Wide variations exist among the States with respect to both factors. Some States aid a relatively small proportion of the population and make relatively high payments per recipient; others have a relatively high proportion of the population receiving aid, but the average payments are low. Still others provide assistance to a relatively large segment of the population and also make relatively high payments per recipient. When costs are expressed as an

amount per inhabitant, the overall factor of differences among States in total population is removed and only the two remaining variables—the proportion of the population aided and the average payment per recipient—are reflected. The per capita costs, when used in trend analysis, also give perspective on the relative growth in population and assistance costs.

During the fiscal year 1953-54, payments from Federal, State, and local funds for all five public assistance programs combined amounted, for the country as a whole, to \$2.6 billion or \$15.89 per inhabitant, about the same as the per capita expenditure in the preceding fiscal year. The population of the United States increased 1.60 percent from July 1952 to July 1953, and the total amount spent

for assistance went up 1.57 percent. A smaller proportion of the population was aided under the programs in 1954 than in 1953, but average payments to recipients for the Nation as a whole increased. The cost of living, as measured by the consumer price index of the Bureau of Labor Statistics, remained practically unchanged from June 1953 to June 1954. Some States, however, raised assistance standards to reflect price changes that had occurred in the preceding year or earlier.

### Changes From 1953

The percentage changes in 1954 were small for all programs except aid to the permanently and totally disabled. Expenditures per inhabitant for this program rose 18 percent (12 cents). Changes from the preceding fiscal year for all programs combined and for the individual programs are shown in the tabulation that follows.



Program	Expenditures per inhabitant		
	Amount including vendor payments for medical care		Percentage change
	1953-54	1952-53	
All programs.....	\$15.89	\$15.91	-0.1
Old-age assistance.....	9.86	9.96	-1.0
Aid to dependent children.....	3.48	3.54	-1.7
Aid to the blind.....	.41	.41	0
Aid to the permanently and totally disabled.....	.78	.66	+18.2
General assistance.....	1.36	1.34	+1.5

Per inhabitant expenditures in the year ended June 1954 went down slightly for both old-age assistance and aid to dependent children, the two largest assistance programs, because the decreases in the number of recipients a little more than offset a slight rise in average payments. The drop of 10 cents per inhabitant in old-age assistance costs therefore reflects a decline in the caseload for the year 1953-54 that was due primarily to the growth in the program of old-age and survivors insurance, accelerated by the 1952 amendments to the Social Security Act. In a few States, also, the recipient loads were smaller because the States applied stricter policies than formerly on relatives' responsibility for support of the aged. The average monthly number of recipients of aid to dependent children likewise was smaller than in the preceding year despite a steady rise in the caseload during the last 7 months of the fiscal year. The drop in the per inhabitant cost of this program was 6 cents.

The combined decrease of 16 cents for these two programs was not fully offset by increases in per capita expenditures for aid to the permanently and totally disabled (12 cents) and for general assistance (2 cents). The program for aid to the permanently and totally disabled, which was initiated with Federal participation in October 1950, continued to expand as three more States<sup>1</sup> began operation under approved plans and the number of recipients in other States continued to grow. The average monthly number of recipients was 19 percent

<sup>1</sup> Connecticut, Minnesota, and Tennessee.

**Table 1.—Amount expended per inhabitant<sup>1</sup> for assistance payments, including vendor payments for medical care, by State and by program, fiscal years 1952-53 and 1953-54**

State	Total		Old-age assistance		Aid to dependent children		Aid to the blind		Aid to the permanently and totally disabled		General assistance	
	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54	1952-53	1953-54
U. S. average.....	\$15.91	\$15.89	\$9.96	\$9.86	\$3.54	\$3.48	\$0.41	\$0.41	\$0.66	\$0.78	\$1.34	\$1.36
Ala.....	10.78	10.47	6.99	6.85	2.71	2.60	.16	.15	.91	.86	.01	.01
Alaska.....	11.63	11.45	6.17	5.85	4.23	4.39	.14	.18	(2)	(2)	1.09	1.02
Ariz.....	16.06	16.19	10.40	10.01	4.23	4.64	.57	.57	(2)	(2)	.86	.97
Ark.....	15.96	14.10	11.04	10.61	4.07	2.43	.46	.46	.09	.43	.30	.17
Calif.....	28.54	27.16	19.76	18.53	6.31	6.04	1.05	1.01	(2)	(2)	1.42	1.57
Colo.....	43.37	44.68	34.97	35.36	4.27	4.79	.19	.19	1.76	2.10	2.18	2.23
Conn.....	11.89	12.54	6.76	7.21	3.04	2.99	.15	.16	(2)	(2)	1.94	1.89
Del.....	6.32	6.56	2.28	2.22	2.26	2.22	.41	.42	.24	.16	1.13	1.53
D. C.....	7.00	7.52	2.02	2.12	2.96	3.22	.20	.20	1.19	1.39	.63	.60
Fla.....	15.24	15.38	10.73	10.91	3.64	3.64	.56	.52	(2)	(2)	.31	.31
Ga.....	15.21	16.45	11.30	11.85	3.04	3.15	.42	.44	.29	.86	.16	.14
Hawaii.....	12.14	10.37	1.83	1.78	6.72	6.07	.11	.12	1.37	1.47	2.11	.93
Idaho.....	16.45	16.80	9.53	9.71	4.30	4.37	.21	.23	.89	.97	1.52	1.53
Ill.....	15.32	15.21	8.14	7.88	3.61	3.32	.32	.31	.39	.54	2.86	3.17
Ind.....	8.30	8.31	5.32	5.20	1.85	1.86	.23	.26	(2)	(2)	.90	.99
Iowa.....	16.21	16.54	11.70	11.52	2.93	3.25	.40	.45	(2)	(2)	1.18	1.31
Kans.....	17.72	18.11	12.33	13.28	2.25	2.59	.22	.25	.96	1.21	1.96	.78
Ky.....	13.40	13.19	7.71	7.83	5.02	4.64	.36	.39	(2)	(2)	.31	.32
La.....	35.97	33.96	26.15	25.48	5.76	4.79	.39	.40	2.53	2.17	1.14	1.12
Maine.....	16.21	16.36	8.10	7.93	4.55	4.47	.37	.36	(2)	(2)	3.19	3.60
Md.....	5.96	6.18	2.21	2.22	2.27	2.37	.11	.11	.73	.94	.64	.55
Mass.....	25.69	25.08	17.77	17.08	3.77	3.65	.35	.37	1.79	2.12	2.01	1.88
Mich.....	14.99	13.51	8.06	7.36	4.12	3.28	.19	.19	.18	.22	2.44	2.46
Minn.....	18.15	18.40	12.84	12.95	3.12	3.12	.32	.35	(2)	(2)	1.87	1.97
Miss.....	10.58	12.72	8.32	9.82	1.57	1.96	.49	.59	.14	.29	.06	.06
Mo.....	25.76	26.53	18.93	19.37	3.58	3.85	.52	.59	1.84	2.12	.89	.59
Mont.....	22.10	21.00	12.45	11.11	4.51	4.34	.67	.59	1.49	1.57	2.98	3.38
Nebr.....	12.05	12.22	9.56	8.89	2.08	2.03	.41	.40	(2)	(2)	.89	.89
Nev.....	14.25	12.72	10.13	8.75	4.07	4.05	.16	.30	(2)	(2)	3.89	3.61
N. H.....	13.75	14.25	8.44	8.94	3.51	3.19	.39	.40	.10	.24	1.31	1.47
N. J.....	5.55	5.92	2.90	2.97	1.27	1.28	.12	.13	.30	.41	.96	1.13
N. Mex.....	16.01	17.31	8.02	8.45	6.00	6.93	.30	.31	1.39	1.18	.30	.43
N. Y.....	15.16	15.19	6.08	6.17	4.75	4.78	.27	.28	.92	2.24	2.14	1.72
N. C.....	8.31	9.22	4.12	4.40	2.63	2.90	.48	.53	.61	.85	.47	.55
N. Dak.....	14.82	14.50	9.79	9.56	3.23	3.13	.13	.12	.94	.98	.73	.72
Ohio.....	12.93	13.43	8.58	8.41	1.50	1.65	.28	.28	.41	.47	2.16	2.61
Okla.....	43.07	38.20	31.91	29.56	8.49	6.05	.92	.79	1.28	1.41	.47	.40
Oreg.....	16.96	17.78	10.00	9.90	2.62	2.90	.19	.19	1.13	1.38	3.02	3.40
Pa.....	9.15	8.80	3.41	3.20	3.09	2.88	.91	.92	.56	.66	1.18	1.13
P. R.....	3.90	4.54	1.71	1.84	1.60	1.93	.04	.05	.46	.64	.09	.06
R. I.....	17.65	17.35	7.75	7.23	5.23	5.08	.19	.20	.43	1.05	4.05	3.80
S. C.....	10.31	11.13	7.14	7.51	1.60	1.79	.31	.34	.96	1.15	.30	.34
S. Dak.....	14.95	15.59	9.10	9.13	3.70	4.04	.15	.16	.25	.40	1.75	1.86
Tenn.....	12.30	14.23	7.91	8.50	3.83	5.04	.44	.46	(2)	(2)	1.12	.12
Tex.....	13.98	14.70	11.91	12.34	1.48	1.72	.37	.38	(2)	(2)	.22	.26
Utah.....	17.00	18.22	9.01	9.32	5.06	5.45	.22	.23	1.53	1.67	1.18	1.55
Vt.....	13.23	14.27	9.06	9.60	2.16	2.47	.25	.26	.32	.46	1.44	1.49
V. I.....	7.42	7.04	3.95	4.15	1.90	1.52	.25	.23	.17	.42	1.15	.72
Va.....	3.89	4.36	1.56	1.65	1.53	1.75	.16	.16	.42	.53	.22	.28
Wash.....	29.86	28.52	20.58	19.06	4.83	4.41	.32	.30	1.82	1.95	2.31	2.81
W. Va.....	15.66	15.45	5.19	4.79	8.04	8.03	.26	.25	.98	1.24	1.19	1.13
Wis.....	14.83	15.18	9.62	9.47	3.31	3.27	.27	.26	.25	.31	1.38	1.87
Wyo.....	14.17	14.51	9.34	9.47	2.10	2.14	.20	.18	1.02	1.02	1.51	1.60

<sup>1</sup> Based on population data from the Bureau of the Census; excludes Armed Forces overseas.

<sup>2</sup> Excludes Nebraska; data for 1952-53 not available.

<sup>3</sup> No program approved by the Social Security Administration.

<sup>4</sup> Program not in operation for full year. States

approved to receive Federal participation as follows: Connecticut and Minnesota, January 1954; Tennessee, August 1953; and Nevada, May 1953.

<sup>5</sup> Represents data for January-June 1954 only.

<sup>6</sup> Program administered under State law without Federal participation.

higher in 1954 than in the preceding fiscal year. The rise in general assistance, on the other hand, resulted primarily from an increase of \$3.28 per case in average payments for the year.

Underlying these national shifts was a considerable variation among the individual States. During the

fiscal year ended in June 1954, assistance expenditures per capita for all programs combined dropped in 19 States and rose in 34 States; the change was less than 50 cents, however, in almost half the States. Shifts of more than \$1.50, on the other hand, occurred in seven States; in Mississippi and Tennessee, per capita costs

**Table 2.—Distribution of States by amount of expenditures per inhabitant for vendor payments for medical care and by program, fiscal year 1953-54**

Expenditures per inhabitant for vendor payments for medical care	Total, all programs	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance
Total number of States.....	53	53	53	53	42	53
No vendor payments.....	12	27	29	29	20	13
Vendor payments.....	41	26	24	24	22	40
Less than \$0.50.....	14	14	24	24	21	23
0.50-0.99.....	5	4	0	0	1	7
1.00-1.49.....	6	4	0	0	0	5
1.50-1.99.....	7	1	0	0	0	3
2.00 or more.....	9	3	0	0	0	2

increased, and in Arkansas, Hawaii, Louisiana, Nevada, and Oklahoma costs declined.

Total expenditures went up \$1.93 in Tennessee and \$2.14 in Mississippi, largely as a result of actions taken to liberalize eligibility provisions or increase assistance payments in the latter part of the fiscal year 1952-53. In determining the amount of assistance in aid to dependent children, Tennessee added the needs of an adult relative up to a maximum of \$24. A large part (\$1.50) of the increase in expenditures per capita in Mississippi occurred in old-age assistance, primarily because the percent of budget deficit met by the assistance grant was raised from 65 percent to 75 percent.

In the States where costs went down by more than \$1.50, decreases were due to initiation of limitations on eligibility and/or to reductions in the amount of assistance provided to recipients. Oklahoma found it necessary, because of limited funds, to discontinue meeting 100 percent of need for all programs in 1953-54; total expenditures per capita fell \$4.87. In 1952-53, expenditures had been higher because a surplus in the assistance fund was distributed to recipients during that year. Assistance expenditures during the year 1953-54, therefore, were down from those of the preceding year because only the year's proceeds of the regularly earmarked sales tax were available to finance the programs.

Tightened eligibility requirements for aid to dependent children brought drops in per capita expenditures of \$1.64 in Arkansas and 97 cents in Louisiana for that program and accounted for the largest part of the

decreases of \$1.86 and \$2.01 in the total cost in these two States for all programs combined. Hawaii's per capita expenditure for general assistance dropped \$1.18 when, effective in August 1953, assistance to employables was discontinued and a 30-percent cut was made in assistance payments to those who remained on the rolls. In Nevada, where total expenditures per capita dropped \$1.53, a 12-percent increase in population and a 1-percent drop in old-age assistance payments resulted in a decline of \$1.38 in per capita expenditures for that program.

A distribution of the States by amount of change from 1952-53 to 1953-54 in per inhabitant expenditures for all programs combined is shown below:

Change in expenditures per inhabitant	Number of States with specified—	
	Increase	Decrease
Total number of States.....	34	19
Less than \$0.50.....	16	9
0.50-0.99.....	11	1
1.00-1.49.....	5	4
1.50 or more.....	2	5

### State Variations, 1954

The States varied considerably in amounts spent per inhabitant during the year 1953-54 for each program and for all programs combined (table 1). Expenditures for the five public assistance programs in Colorado, for example, totaled \$44.68 per capita, more than ten times Virginia's \$4.36. A third of the States spent from \$10 to \$15 per inhabitant for public assistance in 1953-54 and about another third spent from \$15 to \$20. At the

extremes were 10 States<sup>a</sup> with per capita costs of less than \$10 and eight States<sup>b</sup> where assistance expenditures averaged more than \$20 per inhabitant.

Differences among the States in the amount spent per inhabitant are influenced by their relative wealth, as it affects the proportion of population who are needy and the amount of funds available to meet need, and by State laws and policies governing eligibility for assistance and the amount of assistance that can be granted. State laws and policies may in turn be influenced by the fiscal position of the State. For old-age assistance, the largest program in terms of expenditures in most States, costs are also affected by differences in the proportion of population receiving old-age and survivors insurance benefits and the average amount of benefits paid.

Of the eight States that spent more than \$20 per capita for all programs combined, all but one (Massachusetts) lie west of the Mississippi River. In general, these States have comparatively liberal eligibility requirements and assistance standards, particularly in old-age assistance, and, with the exception of Montana, they had in 1953-54 the largest per capita expenditures for old-age assistance in the Nation (chart 1). All eight States have recipient rates and assistance standards for old-age assistance that are greater than or near the national average. All but Louisiana and Oklahoma have per capita incomes above the median for the Nation. In five of the eight States the proportion of the aged population receiving old-age and survivors insurance benefits is less than the median.

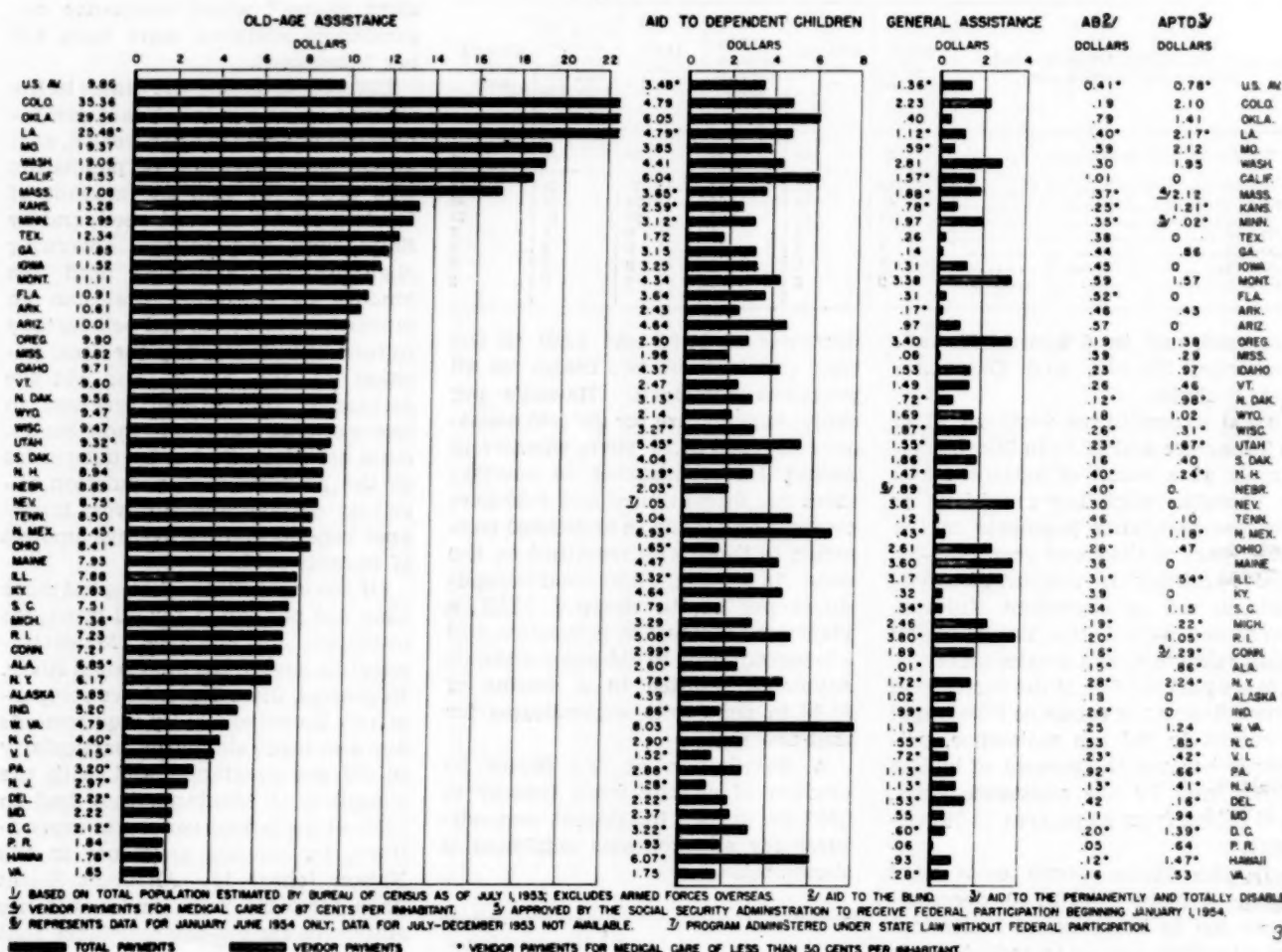
Per capita income is higher than average also for six<sup>c</sup> of the 10 States with the lowest total expenditures per capita. These six States differ considerably in other respects, however, from the group of States with rela-

<sup>a</sup> Delaware, the District of Columbia, Indiana, Maryland, New Jersey, North Carolina, Pennsylvania, Puerto Rico, the Virgin Islands, and Virginia.

<sup>b</sup> California, Colorado, Louisiana, Massachusetts, Missouri, Montana, Oklahoma, and Washington.

<sup>c</sup> Delaware, the District of Columbia, Indiana, Maryland, New Jersey, and Pennsylvania.

Chart 1.—Amount expended per inhabitant<sup>1</sup> for assistance payments, including vendor payments for medical care, fiscal year 1953-54



tively high expenditures per capita. All six, for example, have relatively low old-age assistance recipient rates, low per capita expenditures for that program, and, with the exception of New Jersey, grants to recipients that are less than or near the average. Because old-age and survivors insurance beneficiary rates are higher than the national average in each of these States, the need for old-age assistance is considerably reduced. Although average payments per recipient of aid to dependent children in four<sup>6</sup> of the six States are higher than that for the Nation, only the District of Columbia had a recipient rate above the national average.

In contrast to the six States men-

<sup>6</sup> District of Columbia, Indiana, New Jersey, and Pennsylvania.

tioned above, the other four States with low per inhabitant expenditures have characteristics that indicate a high incidence of need for public assistance. They are all low in relation to other States in per capita income, old-age and survivors insurance beneficiary rates, and average payments for old-age assistance and aid to dependent children. Except for Virginia, they have above-average recipient rates for old-age assistance and aid to dependent children.

Considerable variation among the individual States also occurred in the per capita expenditures for each of the assistance programs. Per capita expenditures for old-age assistance were less than the national average of \$9.86 in two-thirds of the States. The range was from \$1.65 in Virginia to \$35.36 in Colorado; seven States

spent less than \$3.00, and a like number spent more than \$15.00.

For aid to dependent children, the average expenditure per inhabitant was \$3.48—only a little more than one-third of the old-age assistance costs. Three out of 5 States spent less than the national average. Expenditures for this program were more than \$5.00 per capita in eight States, including West Virginia, where they reached \$8.03. Nevada, which has been operating its program without Federal participation, was at the other end of the scale with an expenditure of 5 cents, and was one of 10 States with expenditures of less than \$2.

Expenditures for aid to the blind and aid to the permanently and totally disabled were relatively small, averaging only 41 cents and 78 cents,



respectively, for the country as a whole. All States spent less than \$1.50 per capita for aid to the blind and less than \$3 for aid to the permanently and totally disabled.

General assistance costs, which averaged \$1.36 per inhabitant for the Nation, were less than those for old-age assistance in all States and less than those for aid to dependent children in all but three States. Relative variations among the States in per capita expenditures were considerably greater in general assistance, however, than in any of the other four programs. Thus, the cost of general assistance in Rhode Island was 380 times that in Alabama (1 cent). Almost half the States spent less than \$1 per capita for general assistance, and only six States spent more than \$3. There are two main reasons for these large variations: There is no Federal financial participation in the program, and in many States the program is a local responsibility without State financial or administrative responsibility. The distribution of States by amount of assistance expenditures per inhabitant for each of the assistance programs for the fiscal year 1953-54 is shown below.

Expenditures per inhabitant	OAA	ADC	AB	APTD	GA
Total number of States.....	53	53	53	42	53
Less than \$0.50.....	0	1	44	14	13
0.50-0.99.....	0	0	8	10	11
1.00-1.49.....	0	1	1	10	8
1.50-1.99.....	3	8	0	3	11
2.00-2.99.....	4	12	0	5	4
3.00-3.99.....	1	12	0	0	6
4.00-4.99.....	3	11	0	0	0
5.00-7.49.....	7	7	0	0	0
7.50-9.99.....	19	1	0	0	0
10.00-14.99.....	9	0	0	0	0
15.00-19.99.....	4	0	0	0	0
20.00 or more.....	3	0	0	0	0

### Vendor Payments for Medical Care

Medical needs of recipients of public assistance may be met from public assistance funds either by including an amount for this purpose in the money payment to the recipient or by direct payment to the vendor of the medical service. Some agencies use both methods of payment. Federal participation in expenditures for medical care is limited to amounts within stated maximums on the total

amount of aid for each recipient.\* Before October 1950, Federal matching was restricted to medical costs met through money payments to recipients. Since that time, however, Federal funds have been available for payments to vendors also. Amounts paid to vendors for medical care are readily identifiable and are reported periodically by State agencies. Data on the amounts included for medical care in the direct payments to recipients have been obtained through special studies but are not reported periodically because of the obvious difficulty and expense of compiling such data on a continuing basis.

For all programs combined, vendor payments in the fiscal year ended June 1954 amounted to \$175 million or \$1.09 per inhabitant. The per capita expenditures for vendor payments for medical care, by program, are as follows:

Program	Expenditure per inhabitant for vendor payments
Old-age assistance.....	\$0.54
Aid to dependent children.....	.10
Aid to the blind.....	.02
Aid to the permanently and totally disabled.....	.09
General assistance.....	.34

Almost three-fourths of this amount came from funds for the four special types of public assistance; vendor payments, however, comprised only a small proportion—5 percent—of the total spent under these four programs. Expenditures for vendor payments from general assistance funds, on the other hand, represented about a fourth of the total spent under this program. In 13 States<sup>†</sup> payments to vendors of medical care accounted for more than half the total general assistance expenditures. Not all States are able to report the amount expended from general assistance funds for vendor medical payments for recipients of the special

\*The current maximums are \$55 in old-age assistance, aid to the blind, and aid to the permanently and totally disabled; in aid to dependent children the maximums are \$30 for a needy adult caretaker, \$30 for the first child, and \$21 for each additional child in a family aided.

<sup>†</sup>Alaska, Arkansas, Colorado, Idaho, Iowa, Montana, Nebraska, Nevada, New Mexico, North Carolina, South Dakota, West Virginia, and Wyoming.

types of public assistance, but at least a tenth of all general assistance expenditures went for this purpose.

Table 2 shows a distribution of the States by size of per capita expenditures for vendor payments under each of the assistance programs. Per inhabitant expenditures to vendors of medical care were small except for old-age assistance and general assistance, where expenditures in a few States amounted to \$2 or more.

## Fifteenth Trustees Report on OASI Trust Fund

*The Board of Trustees of the old-age and survivors insurance trust fund recently submitted to Congress its fifteenth annual report on the operations of the trust fund for the fiscal year 1953-54 and, as required by statute, its estimate of projected fund operations during the next 5 years, as well as an analysis of the actuarial status of the fund. The Board of Trustees is composed of the Secretary of Labor, the Secretary of the Treasury, and the Secretary of Health, Education, and Welfare. The Secretary of the Treasury is the Managing Trustee of the Fund, and the Commissioner of Social Security is the Secretary of the Board. Excerpts from their report follow.*

### Summary and Conclusion

During the past 5 fiscal years, the contribution income of the trust fund has increased substantially for a number of reasons. In addition to a rise in earnings levels and the normal uptrend in the labor force, contribution rates increased in 1950 and 1954; moreover, coverage was extended to additional employments and the maximum limit on taxable earnings was raised in 1951. A further extension of coverage and another increase in the taxable earnings limit, both effective on January 1, 1955, will materially raise trust fund receipts in the immediate future. With the growth of the trust fund, interest received on investments has also increased.

Trust fund disbursements have risen even more sharply than contribution income. Basic factors in this increase are the long-term growth in

the aged population and, more significantly, the lengthening period during which workers have had an opportunity to earn the quarters of coverage required to be insured. More immediate causes have been the amendments to the Social Security Act which have extended the program's coverage, lowered the requirements for eligibility to benefits, in-

**Table 1.—Changes in estimated level-premium costs of benefit payments as percentage of payroll, by type of change, intermediate-cost estimate, 2.4 percent interest**

Item	Level-premium cost (percent)
Cost of system under 1952 amendments <sup>1</sup>	6.74
Effect of changes:	
Extension of coverage	-.17
Raising earnings base to \$4,200	-.15
Increase in benefits <sup>2</sup>	+.86
Liberalization of retirement test	+.21
Putting test on annual basis	(+.04)
Increase in exempt amount	(+.08)
Decrease in exemption age	(+.16)
Making test applicable to all employment	(-.07)
Elimination of lowest years of earnings	+.14
"Disability freeze" provision	+.07
Cost of system under 1954 amendments <sup>1</sup>	7.70

<sup>1</sup> Includes adjustments for (a) lower contribution rate for self-employed compared with employer-employee rate; (b) interest on the trust fund existing on December 31, 1954; and (c) administrative expenses.

<sup>2</sup> Primarily reflects effect of new benefit formula and conversion table, but also includes effect of revised minimum and maximum benefit provisions and the minor changes in insured status provisions.

creased the benefits payable, and liberalized the retirement test. Still further increases in benefit disbursements will result from the 1954 amendments.

Despite this rise in benefit disbursements, it is estimated that aggregate income from contributions and interest on investments of the trust fund during the 5-year period immediately ahead will be wholly sufficient to meet aggregate disbursements of the old-age and survivors insurance program during this period. Long-range actuarial studies, moreover, show that, on the basis of high employment assumptions, the level-premium cost at 2.4 percent interest ranges from 6.80 to 8.75 percent of payroll, depending on the combination of cost assumptions selected.

Under legislation enacted in 1946, the trust fund was reimbursed out of general revenues for noncontributory

benefit payments arising from credit for military service. As a result of legislation enacted in 1950, 1952, and 1953, all noncontributory benefit payments after August 1950 on account of credit for military service have been made from the trust fund with no provision for reimbursement. The Board of Trustees believes that these additional costs should not be borne by the trust fund out of the regular social security tax collections. Instead, it believes that they are a proper charge against the general fund of the Treasury, just as are other costs of maintaining the Armed Forces.

### Social Security Act Amendments of 1954

The 1954 amendments <sup>1</sup> to the Social Security Act (Public Law 761,

<sup>1</sup> For fuller details, see "Social Security Act Amendments of 1954," *Social Security Bulletin*, September 1954.

**Table 2.—Operations of the Federal old-age and survivors insurance trust fund, fiscal years 1937-59 <sup>1</sup>**

[In millions]						
Fiscal year	Transactions during period				Net increase in fund <sup>1</sup>	Fund at end of period <sup>2</sup>
	Income		Disbursements			
	Appropriations <sup>3</sup>	Interest on investments <sup>4</sup>	Benefit payments	Administrative expenses <sup>5</sup>		
Past experience:						
1937-54.....	\$30,548	\$2,975	\$12,759	\$722	\$20,043	\$20,043
1941.....	688	56	64	27	653	2,398
1942.....	806	71	110	27	830	3,227
1943.....	1,130	87	149	27	1,041	4,268
1944.....	1,292	103	185	33	1,178	5,446
1945.....	1,310	124	240	27	1,167	6,613
1946.....	1,238	148	321	37	1,028	7,641
1947.....	1,460	163	426	41	1,157	8,798
1948.....	1,617	191	512	47	1,248	10,047
1949.....	1,694	230	607	53	1,263	11,310
1950.....	2,110	257	727	57	1,583	12,893
1951.....	3,124	287	1,498	70	1,843	14,736
1952.....	3,598	334	1,982	85	1,864	16,600
1953.....	4,097	387	2,627	89	1,766	18,366
1954.....	4,589	451	3,276	89	<sup>1</sup> 1,675	20,043
Estimated future experience: <sup>1</sup>						
1955.....	5,259	463	4,376	108	1,238	21,281
1956.....	6,239	488	5,361	118	1,248	22,529
1957:						
Alternative I.....	6,848	513	5,970	126	1,265	23,794
Alternative II.....	6,264	505	6,102	127	540	23,069
1958:						
Alternative I.....	7,247	539	6,482	121	1,183	24,977
Alternative II.....	6,274	508	6,765	119	-102	22,967
1959:						
Alternative I.....	7,596	563	6,950	116	1,093	26,070
Alternative II.....	6,278	498	7,300	112	-636	22,331

<sup>1</sup> See text, pp. 23-24, for description of assumptions used. Estimates were prepared February 1955.

<sup>2</sup> Include insurance contributions, adjusted for refunds, and transfers from general funds equivalent to additional payments arising from the extension of survivors insurance protection to certain veterans of World War II (Social Security Act Amendments of 1946).

<sup>3</sup> Includes (1) profits on marketable investments amounting to \$183,668 in 1949 and \$8,934 in 1950; and (2) interest transferred from the Railroad Retirement Account.

<sup>4</sup> Include administrative expenses, less receipts for sale of surplus material, services, etc. For fiscal years 1944 and 1945, represent charges against trust fund; administrative expenses, after adjustment for bookkeeping transfers, were about \$30 million in fiscal year 1944 and \$29 million in fiscal year 1945. Include cost of construction of an office building for the Bureau of Old-Age and Survivors Insurance.

<sup>5</sup> Totals do not necessarily equal the sum of rounded components.

<sup>6</sup> Excludes net adjustment of approximately \$0.8 million which was allocable to prior years.

approved September 1, 1954) will have very substantial effects on both the immediate and long-range future levels of income and disbursements of the trust fund. The amendments afford coverage to virtually all employed persons not previously under the program and not protected under another Federal retirement system. Benefit amounts payable to both present and future beneficiaries were increased substantially. Provision was made to protect the benefit rights of insured workers during periods of prolonged total disability. The schedule of contribution rates was revised to continue to reflect the intent that the system be self-supporting. The changes in estimated level-premium cost resulting from the several program changes are shown in table 1.

### Fiscal Year Highlights

Contribution rates under old-age and survivors insurance rose on Jan-

uary 1, 1954, from 1½ percent to 2 percent each on employers and employees and from 2¼ percent to 3 percent on self-employed persons, in accordance with the contribution schedule provided in the Federal Insurance Contributions Act. This rise was the second scheduled increase to go into effect, the first—from 1 percent to 1½ percent on employers and employees—having become effective on January 1, 1950. The next increase—from 2 percent to 2½ percent on employers and employees—is scheduled to occur on January 1, 1960.

In June 1954, the total number of beneficiaries under the program was 6,469,000, or 16 percent more than the number in June 1953. There were 4,578,000 retirement beneficiaries (old-age beneficiaries and their entitled wives, dependent husbands, and young children), an increase of 18 percent, and 1,891,000 survivor beneficiaries, an increase of 12 percent from 1 year earlier. The estimated number of persons in covered employment during some or all of calendar year 1954 was about 61 million, or about the same number as in calendar year 1953.

Total disbursements of the old-age and survivors insurance trust fund in fiscal year 1954 were \$3,364 million.<sup>2</sup> Total receipts were \$5,040 million. The net addition of \$1,675 million raised the total assets of the trust fund on June 30, 1954, to \$20.0 billion.

The disbursements of the fund in fiscal year 1954 included \$3,276 million for benefits and \$89 million for administrative expenses. The receipts included \$4,589 million in contributions and \$451 million in interest on investments.

Both disbursements and receipts showed an increase over fiscal year 1953. Disbursements rose \$647 million or 24 percent, and receipts, \$556 million or 12 percent. The increase in disbursements was the combined result of the coverage extensions and the liberalized eligibility and benefit provisions included in the 1950 amendments and the long-term growth of the aged population and the proportion of the aged eligible for benefits. The rise in trust fund

<sup>2</sup> For details of trust fund operations in 1953-54, see the *Bulletin*, April 1955.

Table 3.—Treasury disbursements for benefit payments, distributed by classification of beneficiaries, fiscal years 1941-59<sup>1</sup>

[In millions]

Fiscal year	Total benefit disbursements <sup>2</sup>	Disbursed to old-age beneficiaries	Disbursed to dependents of old-age beneficiaries	Disbursed to survivors of deceased insured workers			
				Monthly benefits			Lump-sum payments
				Total <sup>3</sup>	Aged widows, dependent widowers, and dependent parents	Widowed mothers, dependent divorced wives, and children	
Past disbursements: <sup>1</sup>							
1941.....	\$64.3	\$31.4	\$5.3	\$15.3	\$1.5	\$13.8	\$12.3
1942.....	110.3	54.9	9.6	31.6	4.1	27.5	14.1
1943.....	149.3	72.4	12.7	47.5	7.9	39.6	16.7
1944.....	184.6	86.8	15.2	63.6	12.1	51.5	19.0
1945.....	239.8	109.1	19.2	85.8	17.7	68.1	25.7
1946.....	320.5	153.9	27.2	113.4	24.7	88.7	26.0
1947.....	425.6	219.2	38.4	139.4	33.8	105.6	28.5
1948.....	511.7	272.4	47.5	160.5	43.7	116.8	31.3
1949.....	607.0	333.0	57.7	184.0	55.6	128.4	32.2
1950.....	727.3	412.6	71.2	209.4	69.3	140.2	34.0
1951.....	1,498.1	891.1	148.0	413.5	134.3	279.2	45.5
1952.....	1,982.4	1,191.4	193.5	539.2	179.2	360.0	58.3
1953.....	2,627.5	1,624.6	253.0	673.6	232.7	441.0	76.3
1954.....	3,275.6	2,068.5	318.6	798.3	283.0	515.3	90.2
Estimated future disbursements: <sup>1</sup>							
1955.....	4,376	2,820	435	1,020	382	638	101
1956.....	5,361	3,526	548	1,175	452	723	112
1957:							
Alternative I.....	5,970	3,954	611	1,284	511	773	121
Alternative II.....	6,102	4,071	626				
1958:							
Alternative I.....	6,482	4,290	660	1,406	578	828	126
Alternative II.....	6,765	4,541	692				
1959:							
Alternative I.....	6,950	4,589	704	1,527	650	877	130
Alternative II.....	7,300	4,900	743				

<sup>1</sup> See text, pp. 23-24, for description of assumptions used. Estimates were prepared February 1955.

<sup>2</sup> Totals do not necessarily equal the sum of the rounded components.

<sup>3</sup> Partly estimated.

receipts is accounted for chiefly by the increase in the contribution rate which went into effect on January 1, 1954.

### Fiscal Years 1955-59

Estimates for the 5 fiscal years 1955-59 show a further increase in the receipts and disbursements of the fund. According to these estimates, at the end of fiscal year 1959 the trust fund will amount to \$22.3 to \$26.1 billion, depending on the economic assumptions used, with receipts in that fiscal year of \$6.8 to \$8.2 billion, and disbursements of \$7.1 to \$7.4 billion. At the beginning of fiscal year 1955, the trust fund amounted to about 2½ times the highest expected annual disbursements during the 5 fiscal years 1955-59.

Both the income and disbursements of the trust fund not only depend on the legislative provisions but they are also affected by general economic conditions. Because it is difficult to

foresee economic developments, the assumptions on which the estimates here presented are based are subject to many uncertainties. The statement of the expected operations of the trust fund should be read with full recognition of the difficulties of estimating future trust fund income and disbursements under changing economic conditions.

In the tables relating to the operations of the trust fund during the next 5 years single estimates are given for fiscal years 1955 and 1956, but for fiscal years 1957-59 two sets of estimates are presented based on alternative economic assumptions. The present statutory provisions relating to old-age and survivors insurance are assumed to remain unchanged throughout the period under consideration. Alternative I shows the effect of assumptions postulating a relatively high level of economic activity; alternative II shows the effect of the assumptions of a somewhat lower level of economic activity.



In alternative I it is assumed that employment and earnings will be maintained at a high level through calendar year 1959. Hourly wage rates, and therefore weekly earnings and average annual taxable wages, are assumed to increase not only in accordance with long-time trends but also because of steady improvements in economic conditions. The earnings of the self-employed are assumed to follow a similar pattern. Unemployment is assumed to remain at a low level. Benefit disbursements are assumed to increase substantially, primarily because of the long-range upward trend in the number of beneficiaries, and partly because of the effect of the 1954 amendments which become effective in fiscal year 1955.

The other set of estimates for fiscal years 1957-59, alternative II, is based on the assumption of a sharp contraction in industrial activity in the latter half of calendar year 1956 with a slow recovery beginning in the first half of calendar year 1959. As a re-

sult, estimated taxable payrolls and earnings of the self-employed in the periods affecting tax collections during fiscal years 1957-59, and therefore estimated contributions, are lower under alternative II than under alternative I. Estimated benefit disbursements, on the other hand, are higher under alternative II than under alternative I because a larger number of older workers withdraw from or are unable to find jobs in covered employment.

Under alternative I, income is estimated to exceed disbursements in each of the 5 fiscal years 1955-59. Under alternative II, income is estimated to exceed disbursements during the 3 years 1955-57; during each of the years 1958 and 1959, disbursements are estimated to exceed income. The net increase in the trust fund during the 5-year period is estimated at about \$6.0 billion under alternative I and about \$2.3 billion under alternative II.

Over the short range the amount

paid out for survivors' benefits will not be affected significantly by variations in economic conditions. While favorable opportunities for employment will operate to increase the number of insured persons, and hence increase the number of new death claims, such a high employment situation will tend to have counterbalancing effects such as that of inducing many of the widows and older children eligible for survivors' benefits to forego them by working. On balance, the amount paid out for survivors' benefits over the next few years will differ so little whether the economic conditions of alternative I or alternative II are assumed that a single set of estimates is deemed appropriate for both alternatives (table 3).

On the other hand, the lower the level of employment during the next 5 years the larger will be the volume of benefit payments to retired workers who have attained age 65, and to their eligible dependents. As is indicated in table 4, a considerable proportion of the workers aged 65 and over who were eligible for old-age (primary) benefits in the past remained in covered employment (or, if they left covered employment, later returned to it) and did not receive benefits. Since fiscal year 1945, however, this proportion has decreased as the number of retired workers receiving benefits increased relatively more rapidly than the number eligible for old-age benefits.

Many persons in occupations newly covered by the 1950 amendments became fully insured for the first time in 1952. Since these newly insured persons were fairly regularly employed, relatively few filed applications for old-age (primary) benefits. This depressed the proportion of all eligible persons in receipt of such benefits on January 1, 1953, to a lower level. A similar situation is expected on January 1, 1957, when many persons fairly regularly employed in occupations newly covered by the 1954 amendments will be insured. In general, however, the past upward trend in this proportion is expected to continue even under the favorable employment conditions assumed in alternative I. Contributing to this expected increase are the changes in

Table 4.—Workers eligible for and receiving old-age (primary) benefits by attained age, fiscal years 1941-59<sup>1</sup>

[Numbers in thousands]									
Middle of fiscal year (Jan. 1)	All workers aged 65 and over			Workers aged 65-69			Workers aged 70 and over		
	Number eligible for benefits <sup>1</sup>	Persons receiving benefits		Number eligible for benefits <sup>1</sup>	Persons receiving benefits		Number eligible for benefits <sup>1</sup>	Persons receiving benefits	
		Number	Percent of number eligible		Number	Percent of number eligible		Number	Percent of number eligible
Past experience:									
1941.....	548	112	20	376	85	23	172	28	16
1942.....	680	200	29	445	134	30	235	66	28
1943.....	831	260	31	522	153	29	309	107	35
1944.....	1,016	306	30	608	156	26	408	151	37
1945.....	1,244	378	30	708	167	24	536	211	39
1946.....	1,469	518	35	805	212	26	664	306	46
1947.....	1,637	702	43	868	271	31	799	430	56
1948.....	1,813	875	48	930	325	35	883	550	62
1949.....	1,990	1,048	53	1,000	380	38	990	668	67
1950.....	2,164	1,266	59	1,069	474	44	1,095	812	74
1951.....	3,139	1,771	56	1,663	721	43	1,476	1,050	71
1952.....	3,504	2,278	65	1,825	942	52	1,679	1,337	80
1953.....	4,366	2,644	61	2,250	1,055	47	2,106	1,589	75
1954.....	4,801	3,222	67	2,424	1,301	54	2,377	1,921	81
Estimated future experience: <sup>1</sup>									
1955.....	5,190	3,775	73	2,500	1,505	59	2,630	2,270	86
1956.....	5,660	4,440	78	2,700	1,695	63	2,960	2,745	93
1957:									
Alternative I.....	6,295	4,910	78	2,905	1,785	61	3,390	3,125	92
Alternative II.....	6,275	5,040	80	2,890	1,900	66	3,385	3,140	93
1958:									
Alternative I.....	6,645	5,240	79	2,980	1,840	62	3,665	3,400	93
Alternative II.....	6,570	5,485	83	2,920	2,060	71	3,650	3,425	94
1959:									
Alternative I.....	6,950	5,530	80	3,015	1,870	62	3,935	3,660	93
Alternative II.....	6,820	5,835	86	2,910	2,145	74	3,910	3,690	94

<sup>1</sup> See text, pp. 23-24, for assumptions used. Estimates were prepared February 1955. No adjustments have been made to reflect changes arising from (1) provisions that coordinate the old-age and sur-

vivors insurance and railroad retirement programs, and (2) wage credits for military service.

<sup>2</sup> Figures for 1941-54 are partly estimated.

the retirement test contained in the 1954 amendments—notably the reduction from 75 to 72 in the age at which benefits are paid without regard to earnings—which become effective in calendar year 1955.

If the lower employment conditions assumed in alternative II should materialize, it is expected that larger proportions of eligible workers will be obliged to leave employment especially at ages 65–69. Hence, despite a slightly smaller number of eligible workers, the number receiving old-age (primary) benefits under alternative II would considerably exceed that under alternative I. Moreover, it is expected that the average old-age (primary) benefit amount payable under alternative II would exceed the average under alternative I, inasmuch as many of the more steadily employed, and therefore higher paid, older workers who would not withdraw from employment under the conditions of alternative I would not be employed under the conditions of alternative II. In consequence, alternative II would result in a substantially higher volume of benefit payments to old-age (primary) beneficiaries and their dependents.

### Actuarial Status of the Trust Fund

On June 30, 1954, there were about 13,800,000 persons aged 65 and over in the United States, a number equivalent to 8.4 percent of the total population. It is estimated that by the end of the century the number of persons aged 65 and over may be double that on June 30, 1954, and represent from 10 to 13 percent of the population. The effect on the finances of the old-age and survivors insurance system of this expected change in the number of aged persons will be even greater than may at first appear, because, compared with the present situation, a much larger proportion of aged persons 50 years hence is expected to be eligible to receive benefits under the program. The future financial soundness of this system, with its rising rate of disbursements, is of the utmost importance to the millions of persons who are already within its scope and to the Nation as a whole.

Table 5 shows the cost of benefits

as a percentage of payroll through the year 2050 and gives the level-premium cost of the program.<sup>3</sup> The level-premium cost ranges from 6.74 to 8.91 percent of payroll, depending upon the combination of assumptions selected. This long-range cost measure is, by definition, the level-premium contribution rate required to support the system into perpetuity based on discounting at interest and assuming that benefit payments and taxable payrolls remain level after the year 2050 (actually the relationship between benefits and payroll is virtually constant after about 2020). If such a level rate were adopted, relatively large accumulations in the trust fund would result, and in consequence also sizable eventual income from interest. Even though such a method of financing is not followed, this concept may nevertheless be used as a convenient measure of long-range costs. This cost concept takes into account the heavy deferred load.

### Reality of the Trust Fund

Public discussion of the investment aspects of the old-age and survivors insurance program sometimes reveals a serious misunderstanding of the nature and significance of the trust fund operations. The Board of Trustees believes that it has a responsibility to correct any misapprehensions among persons who look to the old-age and survivors insurance program for basic protection against income loss because of retirement or death.

The charge has been made that the requirement of existing law that the receipts of the old-age and survivors insurance trust fund which are not currently needed for disbursements of the program shall be invested in Government securities constitutes a misuse of the funds. It is suggested that this type of investment permits the Government to use social security tax collections to finance ordinary Government expenditures, and that hence such collections will not be available

<sup>3</sup> The assumptions used in the long-range actuarial section of this Report and the figures presented are given in more detail in *Long-Range Cost Estimates for the Old-Age and Survivors Insurance System, 1954* (Actuarial Study No. 39, Division of the Actuary).

to pay social security benefits in future years. It is said that the securities represent IOU's issued by the Government to itself and that the Government will have to tax people a second time for social security to redeem these IOU's.

The investment of the assets of the trust fund in Federal obligations, as required by law, is not a misuse of the money contributed under the insurance program by covered employees, employers, and self-employed persons. These contributions are permanently appropriated by law to the Federal old-age and survivors insurance trust fund which is separate from the general funds of the United States Treasury. All the assets of this fund are kept available and may be used only for the payment of the benefits and administrative expenses of the insurance program.

Table 5.—Estimated costs of old-age and survivors insurance system as percent of payroll, 1960–2050

[Based on high-employment assumptions]

Calendar year	Low-cost estimate	High-cost estimate	Intermediate-cost estimate <sup>1</sup>
Benefit cost in year (percent)			
1960.....	4.04	4.63	4.33
1970.....	5.57	6.39	5.98
1980.....	6.79	7.90	7.34
1990.....	7.55	9.15	8.32
2000.....	7.24	9.31	8.22
2025.....	8.05	12.28	9.88
2050.....	7.89	11.92	9.48
Level-premium cost <sup>2</sup> (percent)			
2¼ percent interest....	6.89	8.91	7.82
2.4 percent interest....	6.80	8.75	7.70
2½ percent interest....	6.74	8.64	7.62

<sup>1</sup> Based on average of the dollar costs under the low-cost and high-cost estimates.

<sup>2</sup> Level-premium contribution rate for benefit payments after 1954, taking into account interest on the trust fund on December 31, 1954, future administrative expenses, and the lower contribution rates payable by the self-employed.

When the Treasury pays back money borrowed from the trust fund, the public will not be taxed a second time for social security. If taxes are levied to redeem the securities held by the trust fund, these taxes will not be levied for the purpose of paying social security benefits. Rather, they will be levied for the purposes for which the money was originally borrowed, such as the costs arising



out of World War II. Taxes would have to be raised to pay back the money borrowed to cover the cost of the war, whether the obligations were held by the trust fund or by other investors. The fact that the trust fund, rather than other possible investors, holds part of the Federal debt does not change the purpose for which these taxes must be levied. Since all the social security contributions are permanently appropriated to the trust fund, they are not available to the Treasury to redeem Federal obligations held by the trust fund.

The operation of old-age and survivors insurance trust fund investment is similar to the investment of premiums collected by a private insurance company. A private company uses part of its current premium receipts for payments to beneficiaries and for operating expenses. The balance of its receipts is invested in income producing assets. Such investments are commonly limited by State law to the safest forms of investment so that policyholders will be assured that their claims against the company will be satisfied when they become due. Government securities ordinarily represent a considerable part of these investments. The purpose of investing these receipts is, of course, to obtain earnings that will help meet the future costs of the insurance and thus reduce the premiums the policyholders would otherwise have to pay for their insurance.

Social security tax collections are handled in much the same way. Investments of the trust fund, however, are limited by law to only one type—securities issued by the Federal Government. There are two principal reasons for such a restriction. One is similar to the motivation of State legislation dealing with investments of private insurance companies: it is designed to ensure the safety of the fund. Government securities constitute the safest form of investment. The second reason is that it keeps this publicly operated program from investing reserve funds in competitive business ventures. Such investments by the trust fund would be completely out of harmony with accepted concepts of the proper scope of a governmental activity. The securities held

by the trust fund perform the same function as those held by a private insurance company. They can be readily converted into cash when needed to meet disbursements, and the earnings on these investments make possible a lower rate of contributions than would otherwise be required.

In investing its receipts in Government securities the trust fund, as a separate entity, is a lender and the United States Treasury is a borrower. The trustees of the fund receive and hold securities issued by the Treasury as evidence of these loans. These Government obligations are assets of the fund and liabilities of the United States Treasury which must pay interest on the money borrowed and repay the principal when the securities mature.

In other words, the Treasury borrows from a number of sources. It borrows from individuals, mutual savings banks, insurance companies, and various other classes of investors; and it borrows from the old-age and survivors insurance trust fund. The securities held by the fund are backed by the full faith and credit of the United States, as are all public debt securities; they are just as good as the public debt securities held by other investors.

The purchase of Federal obligations by the trust fund from the Treasury does not increase the national debt. The national debt is increased only when and to the extent to which the Federal Government's expenditures exceed receipts from taxes levied to meet those expenditures. When such a deficit occurs, the Treasury must borrow sufficient money to meet the deficit by selling Federal securities. The volume of the securities sold to meet a deficit is not increased by the purchase of such obligations by the trust fund. The purchase of Federal obligations by the trust fund in a period when the Treasury has no deficit to meet would result only in a direct or indirect transfer of Federal debt from other investors to the trust fund. The total amount of the public debt would remain unchanged.

## Medical Advisory Committee on the Disability Freeze\*

A significant cooperative endeavor was launched in February of this year when the Commissioner of Social Security appointed a Medical Advisory Committee to assist him and the Bureau of Old-Age and Survivors Insurance in implementing the "disability freeze" provision of the 1954 amendments to the Social Security Act.<sup>1</sup> This Committee,<sup>2</sup> composed of members of the medical and related professions having a common interest in the problems of the disabled, was formed to provide consultation on medical policies involved in securing disability determinations for individuals eligible to have their old-age and survivors insurance rights preserved under the new law.

The functions of the Committee have been defined by the Bureau in cooperation with the chairman and members of the Committee. A major Committee objective is to provide technical advice in formulating medical guides and standards to promote equal consideration for disabled individuals in all parts of the Nation. State agencies and the Bureau of Old-Age and Survivors Insurance will use these guides and standards in evaluating the severity and duration of disabling conditions.

The Medical Advisory Committee is representative of experience in a variety of specialized fields of medical practice, public and private medical administration, and social welfare services. Hence, another important phase of the Committee's work is bringing viewpoints of medical and other professional groups to the attention of responsible administrative officials and helping to interpret policies and methods of operation to the public broadly.

The Committee convened with representatives of the Department of

\*Prepared by Arthur E. Hess, Assistant Director, Division of Disability Operations, Bureau of Old-Age and Survivors Insurance.

<sup>1</sup> See the *Bulletin*, September 1954, pages 11-12.

<sup>2</sup> For the establishment of the Committee and its membership, see the *Bulletin*, April 1955, page 7.



Health, Education, and Welfare in Washington on February 9-10 and again on March 14, 1955, and additional meetings are expected in the future. Significant progress was made at the February and March meetings. The Committee reviewed in general the scope of the tentative administrative plans developed by the staff of the Bureau of Old-Age and Survivors Insurance. Forms, procedures, and policies of special medical interest were considered and discussed.

The Medical Advisory Committee's method of operation to date has been to use departmental staff, particularly technical and administrative staff of the Bureau of Old-Age and Survivors Insurance, to prepare analytical materials and reports. Tentative operating instructions issued to Bureau components, as well as other data for Committee review, have been furnished to all members in advance of the meetings. Reports on some matters were received from subgroups consisting of Committee members who had been designated by the chairman to review and analyze material covering specialized areas of the suggested standards.

The special problems involved and the criteria that will be required to process the large volume of "backlog" cases expected in the first 2 years of operation under the new provision were included in the Committee considerations.<sup>3</sup> The Department of Health, Education, and Welfare is entering into agreements with States that designate an appropriate agency

<sup>3</sup> An individual may be eligible if he could have met the work-history and other requirements for eligibility at the time he became disabled (even though the disability occurred some years ago) and if he has since been continuously disabled; he may file an application at any time before July 1, 1957, and have his disability retroactively established.

The backlog includes not only eligible disabled persons who have not yet reached age 65 but also individuals now over age 65 who are on the old-age insurance benefit rolls and whose monthly retirement benefits are lower than they would have been, had the individual been able to continue to work and make his contributions under the program up to age 65. Retired individuals who are beneficiaries may apply to have their benefits recomputed and increased beginning with payments for July 1955.

for purposes of making determinations with respect to disability freeze cases. Most States have indicated that it is administratively feasible for them to make determinations for backlog cases that are perhaps no more than a year or two old, as well as for current cases in the future. The bulk of disability determinations for backlog cases, however, will probably have to be made by the Bureau of Old-Age and Survivors Insurance. Procedures for handling the heavy workload were discussed with the Committee, as well as guidelines for making determinations in these cases on the basis of the evidence submitted by the individual as to the onset, continued duration, and severity of his disability.

Under the law a disabled individual is required to furnish proof of his disability. Forms and procedures designed to assist him in furnishing such proof and for the convenience of his attending physician or other medical source in providing a report were discussed. A determination of disability will be made on the basis of all the medical, vocational, and other factors in the case. The Committee made recommendations as to acceptable sources of medical evidence and the composition of the reviewing board or team making the determinations. Among the recommendations made to the Social Security Administration are the following:

- (1) The medical report must be based on an examination by a person licensed to practice medicine or surgery.

- (2) It must be acted upon by a reviewing board or team, the physician member or members of which must be doctors of medicine.

- (3) If the reviewing board needs further medical opinion or evidence, it should be obtained from a consultant at the specialist level.

- (4) Any medical disability may be reevaluated.

- (5) Remediable impairments are not to be considered as qualifying the applicant for the disability freeze if he rejects treatment that is safe and reasonable according to the usually accepted standards of medical practice.

During its deliberation the Com-

mittee studied the problem of achieving consistency of adjudication in the light of the administrative structure in which the freeze provision will operate. In contrast to the completely Federal administration of the other provisions of old-age and survivors insurance, the disability freeze provision of the program is being administered with the cooperation of State agencies under agreements entered into for the purpose of disability determinations in individual cases. The Committee recognized that, in view of the Department's need to adjudicate a large number of cases in a short period of time and the problems of interpretation potentially involved in the participation by all States in the adjudication process, guides and standards are needed to insure reasonable uniformity. A proposed set of such guides was considered for the interpretation and application of the definition of disability in the law. Standards, which set forth medical criteria for evaluation of specific impairments and combinations of impairments, were approved as a basis for initial operations during the coming months. It is expected, as experience is gained in the use of these standards, that suggestions for their revision will be considered by the Committee. The experience of the State agencies and of the Bureau will be appraised.

In addition to considering the specific medical implications of policies and procedures, the Medical Advisory Committee took cognizance of several questions of broad social importance or of special concern to the well-being of the individual applicant. The Committee included among its recommendations the following points for further consideration by the Social Security Administration and by appropriate State agencies and nongovernmental groups:

- (1) State agencies responsible for the determination of disability should acquaint other State agencies with the content of the program and solicit use of combined resources whenever possible to avoid duplication and reduce administrative costs.

- (2) A trained person should be available at the State level of the

(Continued on page 37)

# Recent Publications\*

## Social Security Administration

FARMAN, CARL H. *Old-Age, Survivors, and Invalidity Programs Throughout the World, 1954.* (Office of the Commissioner, Division of Research and Statistics, Report No. 19.) Washington: U. S. Govt. Print. Off., 1955. 122 pp. 40 cents.

A summary, in outline form, of the major provisions of old-age, survivor, and invalidity insurance and assistance in 50 countries, which brings up to date and supplements chart I of the 1949 report, *Social Security Legislation Throughout the World.*

FOSTER, KATHERINE L. "Stabilizing Influences in Helping Handicapped Children." *Children*, Washington, Vol. 2, Mar.-Apr. 1955, pp. 51-55. 25 cents.

Describes experiences with handicapped children in the Massachusetts Hospital School for Crippled Children.

OPLER, MARVIN K. "Cultural Values and Attitudes on Child Care." *Children*, Washington, Vol. 2, Mar.-Apr. 1955, pp. 45-50. 25 cents.

ROBINSON, MARION. "A Team Approach in Preventing Maladjustment." *Children*, Washington, Vol. 2, Mar.-Apr. 1955, pp. 69-73. 25 cents.

## General

GARBARINO, J. W. *Guaranteed Wages.* Berkeley: University of California, Institute of Industrial Relations, 1954. 61 pp. 25 cents.

Outlines current proposals for a guaranteed wage plan and discusses both labor and management attitudes toward wage guarantees.

KUGE, KATSUJI. "Social Insurance in Japan." *Bulletin of the International Social Security Association*, Geneva, Sept.-Oct. 1954, pp. 327-360. \$2.50 a year.

PAPE, MORITZ E. "How to Estimate the Costs of Fringe Benefits." *Management Methods*, New York, Vol. 7, Feb. 1955, pp. 13-16. 50 cents.

SHIMIDZU, GEN, and ROHRlich, GEORGE F. "The Japanese Social

\*Prepared in the Library of the Department of Health, Education, and Welfare. Orders for items listed should be directed to publishers and booksellers; Federal publications for which prices are listed should be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

Insurance Medical Fee Payment Fund." *Bulletin of the International Social Security Association*, Geneva, Sept.-Oct. 1954, pp. 361-366. \$2.50 a year.

*Social Structure and Personality in a City*, edited by O. A. Oeser and S. B. Hammond, and *Social Structure and Personality in a Rural Community*, edited by O. A. Oeser and F. E. Emery. London: Routledge & Kegan Paul, Ltd., 1954. 2 vols. 30s. and 25s., respectively.

Studies of an Australian city and rural community made as part of the UNESCO project for an international study of communities and social tensions.

U. S. COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT. *Report on Personnel and Civil Service*, prepared by the Task Force on Personnel and Civil Service. Washington: U. S. Govt. Print. Off., 1955. 252 pp. 75 cents.

U. S. CONGRESS. JOINT COMMITTEE ON THE ECONOMIC REPORT. *Report . . . on the January 1955 Economic Report of the President, with Supplemental Views and The Economic Outlook for 1955, Prepared by the Committee Staff.* (S. Rept. 60, 84th Cong., 1st sess.) Washington: U. S. Govt. Print. Off., 1955. 103 pp.

U. S. EXECUTIVE OFFICE OF THE PRESIDENT. BUREAU OF THE BUDGET. *The Federal Budget in Brief, Fiscal Year 1956.* Washington: U. S. Govt. Print. Off., 1955. 52 pp. 35 cents.

## Retirement and Old Age

BABSON, PAUL T. "Timing Your Retirement. Should You Plan to Retire Earlier or Later than Age 65?" *Harvard Business Review*, Boston, Vol. 33, Mar.-Apr. 1955, pp. 67-74. \$2.

CALIFORNIA. JOINT LEGISLATIVE BUDGET COMMITTEE. *Survey of Retirement Systems, State of California, Parts I and II.* Sacramento: The Committee, 1954. 2 vols.

Part I describes the retirement systems to which the State contributes and compares them with other systems. Part II considers the integration of the State systems with old-age and survivors insurance.

CLARK, F. LEGRON. *Ageing Men in the Labour Force: The Problems of*

*Organizing Older Workers in the Building Industry.* London: The Nuffield Foundation, 1955. 18 pp. Processed.

CLARK, F. LEGRON. *The Working Fitness of Older Men: A Study of Men Over Sixty in the Building Industry.* London: The Nuffield Foundation, 1954. 40 pp. Processed.

HOGG, EVELYN BROWN. *Developing Clubs for Older People.* Chicago: American Public Welfare Association, Oct. 1954. 15 pp. 30 cents.

MCCARTHY, HENRY L. *Day Centers for Older People.* Chicago: American Public Welfare Association, Dec. 1954. 15 pp. 30 cents.

OGG, ELIZABETH. *When Parents Grow Old.* (Public Affairs Pamphlet No. 208.) New York: Public Affairs Committee, Inc., 1954. 28 pp. 25 cents.

Tells how older persons can adjust satisfactorily to their later years through their own efforts and the co-operation of their families.

OREGON. GOVERNOR'S COMMITTEE TO STUDY PROBLEMS OF THE AGING. *Report.* Salem: The Committee, 1954. 41 pp. Processed.

Report, with recommendations, on income, maintenance, and employment; health, medical care, and rehabilitation; housing and living arrangements; education and counseling; and community planning for the aging.

TOMPKINS, DOROTHY G. *The Senile Aged Problem in the United States.* (1955 Legislative Problems, No. 1.) Berkeley: University of California, Bureau of Public Administration, Jan. 1955. 82 pp. \$1.50.

The living arrangements, income, and health of aged persons; recent interest in their problems; senile aged persons in State mental hospitals; types of care given outside mental hospitals; and the role of the community in the prevention of senility.

## Public Welfare and Relief

LEYENDECKER, HILARY M. *Problems and Policy in Public Assistance.* New York: Harper & Brothers, 1955. 400 pp. \$5.

Designed primarily as an introductory text on public assistance and related income-maintenance programs. Considers the development, general characteristics, organization, and administration of public assistance. References are listed at the end of each chapter.

(Continued on page 31)

# Current Operating Statistics

Table 1.—Selected social insurance and related programs, by specified period, 1940–55

[In thousands; data corrected to Apr. 5, 1955]

Year and month	Total	Retirement, disability, and survivor programs										Unemployment insurance programs				
		Monthly retirement and disability benefits <sup>1</sup>				Survivor benefits				Temporary disability benefits <sup>2</sup>		State laws <sup>10</sup>	Veterans' legislation <sup>13</sup>	Railroad Unemployment Insurance Act <sup>11</sup>		
		Social Security Act	Railroad Retirement Act	Civil Service Commission <sup>3</sup>	Veterans Administration <sup>4</sup>	Monthly		Lump-sum <sup>7</sup>		State laws <sup>10</sup>	Railroad Unemployment Insurance Act <sup>11</sup>					
						Social Security Act <sup>4</sup>	Railroad Retirement Act <sup>5</sup>	Civil Service Commission <sup>3</sup>	Veterans Administration <sup>6</sup>						Social Security Act	Other <sup>8</sup>
Number of beneficiaries																
1954																
February		4,315.9	383.7	201.9	2,560.3	1,812.9	162.9	56.5	1,106.8	40.9	11.6	35.0	30.4	1,864.1	88.1	118.0
March		4,395.7	386.5	202.3	2,565.8	1,834.6	163.4	57.5	1,111.1	49.6	14.0	39.4	29.9	1,953.3	102.5	138.5
April		4,466.4	388.8	204.4	2,575.1	1,856.5	164.2	58.4	1,115.2	51.2	13.3	37.6	27.3	1,893.9	99.9	139.5
May		4,524.4	391.5	205.7	2,583.0	1,873.3	164.9	59.1	1,116.8	44.2	11.8	36.1	23.4	1,849.6	93.2	103.7
June		4,577.5	392.6	207.3	2,590.4	1,891.3	165.7	60.6	1,129.9	44.8	12.1	39.2	27.6	1,817.6	95.9	98.2
July		4,620.3	395.9	208.6	2,598.0	1,901.0	165.3	60.9	1,130.1	40.9	11.7	37.7	24.1	1,597.3	96.3	78.8
August		4,678.5	398.5	210.8	2,605.8	1,919.7	165.7	61.7	1,133.9	46.8	12.0	38.8	36.2	1,522.6	99.5	103.8
September		4,733.7	398.6	212.1	2,612.0	1,921.3	165.2	62.4	1,133.6	34.7	10.7	37.6	33.5	1,413.9	91.4	97.6
October		4,779.1	400.5	213.2	2,618.3	1,940.2	168.6	63.3	1,130.2	39.2	11.1	37.0	35.2	1,299.3	74.8	98.4
November		4,833.5	401.0	215.1	2,623.8	1,963.9	175.6	64.1	1,129.1	38.9	10.4	36.6	37.3	1,223.1	72.9	112.4
December		4,897.6	403.2	216.5	2,631.0	1,988.9	182.7	64.8	1,127.6	43.8	11.3	37.0	36.2	1,365.1	87.1	133.6
1955																
January		4,965.5	404.9	217.8	2,635.1	2,001.8	186.7	65.5	(10)	40.0	11.0	36.6	40.2	1,667.6	105.6	140.7
February		5,070.4	405.9	219.5	2,637.8	2,015.5	189.0	66.4	(10)	38.7	11.1	37.0	30.6	1,671.9	111.2	122.0
Amount of benefits <sup>14</sup>																
1940	\$1,183,462	\$17,150	\$114,166	\$62,019	\$317,851	\$6,371	\$1,448	-----	\$105,696	\$11,833	\$12,267	-----	-----	\$518,700	-----	\$15,961
1941	1,079,648	51,169	119,912	64,933	320,561	23,644	1,559	-----	111,799	13,270	13,943	-----	-----	344,321	-----	14,537
1942	1,124,351	76,147	122,806	68,115	325,265	39,523	1,603	-----	111,193	15,005	14,342	-----	-----	344,084	-----	6,268
1943	914,553	92,943	125,795	72,961	331,350	55,152	1,704	-----	116,133	17,843	17,255	\$2,857	-----	79,643	-----	917
1944	1,109,673	113,487	129,707	77,193	456,279	73,451	1,765	-----	144,302	22,034	19,238	5,035	-----	62,385	\$4,215	582
1945	2,051,694	148,107	137,140	83,874	697,830	99,651	1,772	-----	254,238	26,127	23,431	4,669	-----	445,866	126,630	2,359
1946	5,140,174	222,320	149,188	94,585	1,268,984	127,933	1,817	-----	333,640	27,851	30,610	4,761	-----	1,094,850	1,743,718	39,917
1947	4,684,564	287,554	177,053	106,876	1,676,029	149,179	19,283	-----	382,515	29,460	33,115	26,024	\$11,368	776,165	970,542	39,401
1948	4,490,297	352,022	208,642	132,852	1,711,182	171,837	36,011	\$918	413,912	32,315	32,140	35,592	30,843	793,265	510,167	28,599
1949	5,672,234	437,420	240,893	158,973	1,692,215	196,586	39,257	4,317	477,406	33,158	31,771	59,066	30,103	1,737,279	430,194	103,596
1950	5,286,020	651,409	254,240	175,787	1,732,208	276,945	43,884	8,409	491,579	32,740	33,578	89,259	28,099	1,373,426	34,653	59,804
1951	5,651,701	1,321,061	268,733	196,529	1,647,938	506,803	49,527	14,014	519,398	57,337	33,356	147,846	26,297	840,411	2,234	20,217
1952	6,452,932	1,539,327	361,200	225,120	1,722,225	591,504	74,085	19,986	572,983	63,298	37,251	167,665	34,689	998,267	3,539	41,793
1953	7,539,541	2,175,311	374,112	269,300	1,840,437	743,536	83,319	27,325	613,475	87,451	43,377	186,145	45,150	962,221	41,698	46,684
1954	9,653,173	2,697,982	428,900	298,126	1,921,380	879,952	93,201	32,530	628,801	92,229	41,480	197,800	49,173	2,026,866	107,665	157,088
1955																
February	748,448	196,535	31,041	23,959	155,699	65,078	6,883	2,548	50,214	7,082	3,421	3,731	3,336	179,284	8,086	11,551
March	804,247	200,703	31,305	24,249	157,558	65,983	6,919	2,598	51,630	8,580	4,039	4,960	3,792	215,650	10,817	15,464
April	792,084	204,336	31,526	24,321	157,612	66,908	6,966	2,608	50,761	8,858	4,198	4,587	3,236	200,837	10,129	15,201
May	774,260	207,399	31,751	24,527	157,347	67,672	7,002	2,645	51,269	7,734	3,522	4,248	2,845	185,601	8,956	11,742
June	785,941	210,254	32,859	24,641	157,624	68,448	7,049	2,690	51,194	7,926	3,530	4,875	3,329	190,959	9,736	10,827
July	760,974	212,596	33,120	24,905	157,765	68,896	7,049	2,736	49,966	7,180	3,559	4,720	2,685	167,980	9,885	7,902
August	770,154	215,609	33,312	25,204	159,293	69,640	7,076	2,767	51,311	8,376	3,547	4,862	4,414	162,653	10,230	11,860
September	799,498	247,151	33,441	25,356	158,058	78,805	7,634	2,801	51,198	6,153	3,020	4,728	5,033	153,737	9,440	12,943
October	802,285	250,055	33,610	25,499	166,749	79,673	7,859	2,827	56,877	7,246	3,124	4,451	5,383	135,299	7,384	16,249
November	804,303	253,512	33,681	25,727	168,430	80,699	8,308	2,876	55,849	7,449	2,900	4,626	5,502	132,089	7,523	15,132
December	839,014	257,522	33,883	25,977	169,325	81,820	8,714	2,933	56,427	8,496	3,225	4,890	5,460	153,050	9,381	17,921
1955																
January	861,696	262,411	34,019	26,180	168,508	82,408	8,935	2,972	56,608	7,834	3,434	4,412	5,070	170,575	10,201	18,129
February	857,480	270,112	34,140	26,320	168,451	83,109	9,061	2,988	56,770	7,467	3,137	4,241	3,859	163,098	10,235	14,402

<sup>1</sup> Under the Social Security Act, retirement benefits—old-age, wife's, and husband's benefits, and benefits to children of old-age beneficiaries—partly estimated. Under the other 3 systems, benefits for age and disability; beginning December 1951, spouse's annuities under the Railroad Retirement Act.

<sup>2</sup> Data for civil-service retirement and disability fund; excludes noncontributory payments made under the Panama Canal Construction Annuity Act. Through June 1948, retirement and disability benefits include payments to survivors under joint and survivor elections.

<sup>3</sup> Pensions and compensation, and subsistence payments to disabled veterans undergoing training.

<sup>4</sup> Mother's, widow's, widower's, parent's, and child's benefits; partly estimated.

<sup>5</sup> Annuities to widows under joint and survivor elections and, beginning February 1947, survivor benefits—widow's, widower's (first paid December 1951), widow's current, parent's, and child's benefits.

<sup>6</sup> Payments to widows, parents, and children of deceased veterans.

<sup>7</sup> Number of decedents on whose account lump-sum payments were made.

<sup>8</sup> Payments under the Railroad Retirement Act and Federal civil-service and veterans' programs.

<sup>9</sup> First payable in Rhode Island, April 1943; in California, December 1946; in New Jersey, January 1949; in New York, July 1950 (monthly data not available); and under the railroad programs, July 1947. Excludes hospital benefits in California and hospital, surgical, and medical benefits in New York; also ex-

cludes private plans in California and New Jersey except for calendar-year totals.

<sup>10</sup> Represents average weekly number of beneficiaries.

<sup>11</sup> Represents average number of beneficiaries in a 14-day registration period.

<sup>12</sup> Beginning September 1944, under the Servicemen's Readjustment Act, readjustment allowances to unemployed and self-employed veterans of World War II. Beginning November 1952, under the Veterans' Readjustment Assistance Act, unemployment compensation benefits to veterans with military service since June 1950. Number represents average weekly claims paid.

<sup>13</sup> Not available.

<sup>14</sup> Payments: under the Social Security Act annual data represent Treasury disbursements and under the Railroad Retirement Act, amounts certified (for both programs monthly data for monthly benefits represent benefits in current-payment status); under the Railroad Unemployment Insurance Act, amounts certified; for Veterans Administration programs, except the readjustment allowance program, disbursements; under the State unemployment and temporary disability insurance laws, the Servicemen's Readjustment Act, and the Veterans' Readjustment Assistance Act, checks issued; for civil-service programs, disbursements through June 1949 and authorizations beginning July 1949. Adjusted on annual basis except for civil-service data and payments under the Railroad Unemployment Insurance Act, which are adjusted monthly.

<sup>15</sup> Partly estimated.

Source: Based on reports of administrative agencies.



**Table 2.—Estimated distribution of the civilian labor force by employment and coverage status, selected months, 1953 and 1954**

[In millions; data corrected to Mar. 29, 1955]

Employment and coverage status	June 1953	December 1953	June 1954	December 1954
Civilian labor force, total.....	64.7	62.6	65.4	63.5
Unemployed.....	1.6	1.8	3.3	2.8
Employed, total.....	63.2	60.8	62.1	60.7
Covered by old-age and survivors insurance <sup>1</sup> .....	46.3	46.3	45.5	45.7
Covered under law before 1950 amendments.....	37.2	37.7	36.5	36.5
Additional coverage under 1950 amendments <sup>1</sup> .....	9.2	8.6	9.0	9.2
Jointly covered by railroad retirement and old-age and survivors insurance <sup>2</sup> .....	1.4	1.4	1.3	1.2
Not covered by old-age and survivors insurance.....	15.4	13.2	15.3	13.8
Federal, State, and local governments.....	4.6	4.9	4.9	5.5
Agriculture.....	7.3	5.0	7.0	4.9
Wage and salary workers.....	1.2	.9	1.0	.8
Self-employed.....	4.1	3.5	4.1	3.5
Unpaid family workers.....	2.0	.7	2.0	.6
Domestic service.....	1.0	.8	.9	.9
Other <sup>3</sup> .....	2.5	2.5	2.5	2.6

<sup>1</sup> Excludes employees of State and local governments and nonprofit organizations who were not covered although eligible for coverage.

<sup>2</sup> As a result of amendments to the Railroad Retirement Act adopted in 1951, earnings in railroad service are credited toward benefits under both the railroad and the old-age and survivors insurance programs.

<sup>3</sup> Includes noncovered workers in the following partially covered industries: educational institutions and agencies; medical and health services; religious, charitable, and membership organizations; forestry and fishing; and self-employed persons; and unpaid family workers in nonagricultural industries.

Source: Employment by industry and class of worker based on data provided by the Bureau of the Census; coverage status estimated by the Bureau of Old-Age and Survivors Insurance.

**Table 3.—Contributions and taxes collected under selected social insurance and related programs, by specified period, 1952-55**

[In thousands]

Period	Retirement, disability, and survivors insurance				Unemployment insurance	
	Federal insurance contributions <sup>1</sup>	Federal civil-service contributions <sup>2</sup>	Taxes on carriers and their employees	State unemployment contributions <sup>3</sup>	Federal unemployment taxes <sup>4</sup>	Railroad unemployment insurance contributions <sup>5</sup>
Fiscal year:						
1952-53.....	\$4,096,602	\$744,646	\$619,959	\$1,367,806	\$276,557	\$25,066
1953-54.....	\$4,589,182	\$464,363	\$603,042	\$1,246,230	\$285,135	\$27,656
8 months ended:						
February 1953.....	2,488,413	605,189	418,812	961,839	239,331	13,188
February 1954.....	2,420,936	326,568	414,473	901,090	232,656	11,476
February 1955.....	2,689,362	301,236	392,129	767,319	220,129	12,823
1954						
February.....	609,224	44,208	85,049	143,236	189,235	862
March.....	597,809	35,230	49,068	8,476	18,653	5,200
April.....	284,915	24,069	5,525	132,866	3,284	125
May.....	777,733	33,439	87,468	195,905	18,773	1,160
June.....	508,555	45,058	45,315	7,893	1,270	7,382
July.....	218,238	60,722	7,694	126,538	1,563	425
August.....	764,227	42,536	79,783	192,454	17,894	944
September.....	224,915	30,498	48,202	6,678	951	4,461
October.....	189,170	28,521	12,282	81,281	1,409	60
November.....	571,621	35,945	96,854	165,102	17,345	1,084
December.....	332,185	45,589	53,783	11,560	661	4,936
1955						
January.....	114,438	23,697	8,373	63,526	11,918	-77
February.....	274,568	33,726	85,159	120,179	168,387	991

<sup>1</sup> Represents contributions of employees and employers in employments covered by old-age and survivors insurance (beginning December 1952, adjusted for employee-tax refunds); from May 1951, includes deposits made in the trust fund by States under voluntary coverage agreements; beginning January 1951, on an estimated basis.

<sup>2</sup> Represents employee and Government contributions to the civil-service retirement and disability fund; Government contributions are made in 1 month for the entire fiscal year.

<sup>3</sup> Represents deposits in State clearing accounts of contributions plus penalties and interest collected from employers and, in 2 States, contributions from employees; excludes contributions collected for deposit in State sickness insurance funds. Data reported by State agencies.

<sup>4</sup> Represents taxes paid by employers under the Federal Unemployment Tax Act.

<sup>5</sup> Beginning 1947, also covers temporary disability insurance.

<sup>6</sup> Monthly data do not add to fiscal-year totals shown due to changes in Treasury accounts, effective Feb. 17, 1954. Fiscal-year totals as shown in the *Final Statement of Receipts and Expenditures of the U. S. Government for the period from July 1, 1953 through June 30, 1954*.

<sup>7</sup> Includes contributions from the Federal Government.

Source: *Daily Statement of the U. S. Treasury*, unless otherwise noted.

Table 4.—Status of the unemployment trust fund, by specified period, 1936-55

[In thousands]

Period	Total assets at end of period <sup>1,2</sup>	Net total of U. S. Government securities acquired <sup>3</sup>	Unexpended balance at end of period <sup>1</sup>	State accounts				Railroad unemployment insurance account <sup>4</sup>			
				Deposits <sup>1</sup>	Interest credited	Withdrawals <sup>4,5</sup>	Balance at end of period <sup>1</sup>	Deposits	Interest credited	Benefit payments <sup>1</sup>	Balance at end of period <sup>1,6,7</sup>
Cumulative, January 1936-February 1955.....	\$8,536,309	\$8,533,929	\$2,380	\$19,821,563	\$1,984,466	\$13,797,110	\$8,008,920	\$957,556	\$197,701	\$884,626	\$463,100
Fiscal year:											
1953-54.....	8,994,320	-248,075	5,352	1,247,130	204,317	1,604,819	8,396,826	17,835	20,094	140,034	597,493
8 months ended:											
February 1953.....	9,086,440	412,007	27,351	954,190	90,083	584,708	8,379,306	7,915	9,095	68,936	707,134
February 1954.....	9,386,702	137,963	11,697	893,947	103,592	818,956	8,741,120	8,391	10,258	72,665	645,582
February 1955.....	8,536,309	-455,038	2,380	756,012	95,377	1,239,296	8,008,920	7,653	6,632	151,826	463,100
1954											
February.....	9,386,702	-20,000	11,697	166,304	38	177,216	8,741,120	700	4	14,490	645,582
March.....	9,161,390	-225,019	11,403	15,738	1,064	225,740	8,532,182	2,959	105	19,439	629,207
April.....	9,000,450	-160,000	10,463	48,904	10,326	201,850	8,389,563	36	1,008	19,364	610,887
May.....	9,080,001	79,000	11,015	270,378	88	176,861	8,483,167	624	9	14,686	596,834
June.....	8,994,320	-80,019	5,352	18,164	89,247	193,752	8,396,826	5,825	8,714	13,880	597,493
July.....	8,857,310	-150,000	18,342	38,201	112	168,205	8,266,934	173	11	10,549	590,375
August.....	8,952,774	105,000	8,806	274,635	51	163,690	8,377,930	530	5	16,066	574,844
September.....	8,794,133	-155,019	5,184	9,026	1,055	154,020	8,233,991	2,785	102	17,589	560,142
October.....	8,676,017	-120,000	7,069	23,696	10,319	131,476	8,136,530	20	703	21,378	539,488
November.....	8,738,483	62,000	7,535	217,692	61	135,545	8,218,738	597	4	20,344	519,745
December.....	8,744,415	8,981	4,486	13,411	83,412	139,790	8,175,771	3,012	5,683	24,083	504,357
1955											
January.....	8,563,393	-180,000	3,464	22,837	158	180,665	8,018,100	32	10	23,395	481,005
February.....	8,536,309	-26,000	2,380	156,515	209	165,905	8,008,920	504	14	18,422	463,100

<sup>1</sup> Cumulative totals and fiscal year 1953-54 totals revised to correspond with Final Statement of Receipts and Expenditures of the U. S. Government for the Period from July 1, 1953 through June 30, 1954. Monthly data, derived from inception cumulative totals, revised from June 1954 to October 1954. Monthly data for fiscal year 1953-54 do not add to fiscal-year total because of the nature of certain of the revisions.

<sup>2</sup> Beginning December 1954, includes assets of the Federal unemployment account, under the Employment Security Administrative Financing Act of 1954.

<sup>3</sup> Includes accrued interest and repayments on account of interest on bonds at time of purchase; minus figures represent primarily net total of securities redeemed.

<sup>4</sup> Includes transfers from State accounts to railroad unemployment insurance account amounting to \$107,161,000.

<sup>5</sup> Includes withdrawals of \$79,169,000 for disability insurance benefits.

<sup>6</sup> Beginning July 1947, includes temporary disability program.

<sup>7</sup> Includes transfers to the account from railroad unemployment insurance administration fund amounting to \$97,646,000 and transfers of \$12,338,000 out of the account to adjust funds available for administrative expenses on account of retroactive credits taken by contributors under the Railroad Unemployment Insurance Act Amendments of 1948.

Source: Daily Statement of the U. S. Treasury.

## RECENT PUBLICATIONS

(Continued from page 28)

THELEN, HERBERT. *Dynamics of Groups at Work*. Chicago: University of Chicago Press, 1954. 379 pp. \$6.

A basic text that includes concrete illustrations and specific suggestions for the organizer, leader, and member of groups.

UNITED NATIONS. ECONOMIC AND SOCIAL COUNCIL. SOCIAL COMMISSION. *Principles of Community Development: Social Progress Through Local Action*. New York: United Nations, 1955. 156 pp. Processed.

## Maternal and Child Welfare

ARONSON, HOWARD G. "Evaluating Adoptive Applicants." *Child Welfare*, New York, Vol. 34, Feb. 1955, pp. 1-6. 35 cents.

"Suggests a method for evaluating adoptive applicants which may enable the caseworker to arrive at a more dynamic understanding of their personality and motivations in applying to adopt a child."

BAIL, MARY K. "Experiment in Co-operative Homefinding." *Child*

*Welfare*, New York, Vol. 34, Feb. 1955, pp. 6-9. 35 cents.

Describes Boston's program for placing children in foster homes.

BROWN, FLORENCE G. "Supervision of the Child in the Adoptive Home." *Child Welfare*, New York, Vol. 34, Mar. 1955, pp. 10-16. 35 cents.

Emphasizes the adoption agency's responsibility for continued work with the family after placement of a child.

CHWAST, JACOB. "Casework Treatment in a Police Setting." *Federal Probation*, Washington, Vol. 28, Dec. 1954, pp. 35-40.

Describes the work of the New York City Juvenile Aid Bureau with delinquent children.

FREUD, ANNA. "Safeguarding the Emotional Health of Our Children: An Inquiry into the Concept of the Rejecting Mother." *Child Welfare*, New York, Vol. 34, Mar. 1955, pp. 1-4. 35 cents.

GREENE, SHIRLEY E. *The Education of Migrant Children: A Study of the Educational Opportunities and Experiences of the Children of Agricultural Migrants*. Washington: National Education Association,

Department of Rural Education, 1954. 179 pp. \$3.

IKEDA, HANNAH. "Adapting the Nursery School for the Mentally Retarded Child." *Exceptional Children*, Washington, Vol. 21, Feb. 1955, pp. 171-173 f. 50 cents.

KUGELMASS, I. NEWTON. *The Management of Mental Deficiency in Children*. New York: Grune & Stratton, 1954. 312 pp. \$6.75.

KUHLMANN, FRIEDA M. "The Child with 'Two Mothers'." *Child Welfare*, New York, Vol. 34, Feb. 1955, pp. 10-15. 35 cents.

Considers standards and practices necessary to provide adequate family day care services.

KVARACEUS, WILLIAM C. *The Community and the Delinquent: Co-operative Approaches to Preventing and Controlling Delinquency*. Yonkers-on-Hudson, N. Y.: World Book Co., 1954. 566 pp. \$4.50.

NATIONAL PROBATION AND PAROLE ASSOCIATION. *Reappraising Crime Treatment; 1953 Yearbook*, edited by Matthew Matlin. New York: The Association, 1954. 284 pp. \$2.

Table 5.—Status of the old-age and survivors insurance trust fund, by specified period, 1937–55

[In thousands]

Period	Receipts		Expenditures		Assets			
	Net contribution income and transfers <sup>1 2</sup>	Interest received <sup>3</sup>	Benefit payments <sup>2</sup>	Administrative expenses <sup>4</sup>	Net total of U. S. Government securities acquired <sup>1</sup>	Cash with disbursing officer at end of period <sup>2</sup>	Credit of fund account at end of period <sup>2</sup>	Total assets at end of period <sup>2</sup>
Cumulative, January 1937–February 1955.....	\$33,237,803	\$3,212,393	\$15,446,991	\$787,188	\$19,626,146	\$466,506	\$123,364	\$20,216,016
Fiscal year 1953–54.....	4,589,182	450,504	3,275,556	88,636	1,522,270	373,449	329,303	20,042,615
8 months ended:								
February 1953.....	2,488,413	189,168	1,632,844	59,773	730,326	281,993	299,630	17,585,000
February 1954.....	2,420,936	228,558	2,103,649	57,631	366,444	338,788	331,744	18,854,571
February 1955.....	2,689,362	237,064	2,688,140	64,885	286,282	466,506	123,364	20,216,016
1954								
February.....	609,224	* 11,595	275,059	6,917	38,800	338,788	331,744	18,854,571
March.....	597,809	10,946	287,370	7,180	164,918	358,974	460,845	19,168,775
April.....	284,915	14,818	293,884	7,502	245,941	360,145	212,080	19,167,122
May.....	777,733		293,969	7,447	229,000	370,317	449,226	19,643,440
June.....	508,555	196,182	296,683	8,878	515,967	373,449	329,303	20,042,615
July.....	218,238	* 9,551	292,587	7,434	70,000	403,212	157,308	19,970,384
August.....	764,227		288,205	6,782	150,000	422,619	457,141	20,439,623
September.....	224,915	10,946	323,160	7,374	82,918	467,311	234,858	20,344,950
October.....	189,170	14,995	349,564	7,682	—24,059	476,183	96,964	20,191,869
November.....	571,621		345,053	9,951		490,889	298,875	20,408,486
December.....	332,185	198,622	355,015	8,484	243,797	531,880	181,394	20,575,795
1955								
January.....	114,438	764	361,216	8,323	—113,430	551,771	20,597	20,321,458
February.....	274,568	2,186	373,339	8,856	—122,944	466,506	123,364	20,216,016

<sup>1</sup> For July 1940 to December 1950 equals taxes collected; beginning January 1951, equals amounts appropriated (estimated tax collections) and, from May 1951, deposits by States under voluntary coverage agreements. For 1947–51 includes amounts appropriated to meet costs of benefits payable to certain veterans' survivors. Includes deductions to adjust for reimbursement to the General Treasury of the estimated amount of taxes subject to refund for employees who paid contributions on more than \$3,600 a year (through working for more than 1 employer)—\$51 million in September 1954 for 1953 taxes.

<sup>2</sup> Cumulative totals and fiscal year 1953–54 totals revised to correspond with Final Statement of Receipts and Expenditures of the U. S. Government for the Period from July 1, 1953 through June 30, 1954. Monthly data, derived from inception cumulative totals, revised from June 1954 to October 1954. Monthly data for fiscal year 1953–54 do not add to fiscal-year total because of the nature of certain of the revisions.

<sup>3</sup> Includes interest transferred from the railroad retirement account under the financial interchange provision of the Railroad Retirement Act, as amended in 1951. See footnote 6.

<sup>4</sup> Represents net expenditures for administration. Beginning November 1951, adjusted for reimbursements to trust fund of small amounts for sales of supplies and services. Beginning October 1953, includes amounts for expenses of plans and preparations for construction authorized by P. L. 170, 83d Cong., 1st sess.

<sup>5</sup> Includes accrued interest and repayments on account of accrued interest on bonds at time of purchase.

<sup>6</sup> Represents interest transferred from the railroad retirement account—in February 1954 on \$488.2 million for the fiscal year 1952–53 and in July 1954 on \$424.5 million for the fiscal year 1953–54—in each case on the estimated amount that would place the old-age and survivors insurance trust fund in the same position it would have been in at the beginning of the fiscal year if railroad employment had always been covered under old-age and survivors insurance.

Source: Monthly Statement of Receipts and Expenditures of the U. S. Government and unpublished Treasury report.

Includes Meeting the Challenge of a Juvenile Code, by Judge George Edwards; Integration of Mental Health and Probation Services, by Harris B. Peck and Morris Brick; Adolescents and Responsibility, by Dale B. Harris; Detention for the Youthful Offender, by Henry J. Palmieri; and Shelter Care in Emergency Situations, by Sherwood Norman.

NEW YORK CITY YOUTH BOARD. *Reaching Teen-Agers Through Group Work and Recreation Programs.* (Youth Board Monograph No. 1.) New York: The Board, 1954. 43 pp.

The participation of adolescents in leisure-time programs and the environmental factors affecting their participation. Considers problems encountered by agencies working with teen-agers and suggests ways of strengthening the programs.

ROSE, A. G. *Five Hundred Borstal*

Boys. Oxford: Basil Blackwell, 1954. 199 pp. 21s.

A followup study of a group of boys discharged from Borstal institutions. Examines available records for each boy and records any reconvictions up to 1950.

### Health and Medical Care

CONFERENCE FOR PRESIDENTS AND EXECUTIVES OF JEWISH FEDERATIONS AND HOSPITALS. *The Jewish Hospital—Today and Tomorrow. Proceedings . . . September 25–26, 1954, Philadelphia, Pa.* Sponsored by Council of Jewish Federations and Welfare Funds. New York: The Council, 1955. 35 pp., and tables. Processed.

FOX, HARLAND. "Paid Sick Leave and Group Insurance." *Management Record*, New York, Vol. 17, Feb. 1955, pp. 54–56.

Examines the relationship between these two forms of benefits.

METCALF, WENDELL O. *Health Maintenance for Greater Efficiency.* (Small Business Management Series, No. 16.) Washington: U. S. Govt. Print. Off., 1954. 53 pp. 25 cents.

Designed to show how small business can provide efficient health maintenance services for employees.

U. S. COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT. TASK FORCE ON FEDERAL MEDICAL SERVICES. *Report on Federal Medical Services.* Washington: U. S. Govt. Print. Off., 1955. 139 pp. 40 cents.

WELCH, E. P. "Permanent Disability Evaluation." *California Medicine*, San Francisco, Vol. 82, Jan. 1955, pp. 35–38. 60 cents.

Reviews the basic principles of the California system.



**Table 6.—Old-age and survivors insurance: Monthly benefits in current-payment status<sup>1</sup> at the end of the month, by type of benefit and by month, February 1954–February 1955, and monthly benefits awarded, February 1955**

[Amounts in thousands; data corrected to Mar. 18, 1955]

Item	Total		Old-age		Wife's or husband's		Child's		Widow's or widower's		Mother's		Parent's	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Monthly benefits in current-payment status at end of month:														
1954														
February	6,128,845	\$261,613.7	3,313,294	\$170,301.2	910,061	\$24,748.3	1,070,567	\$33,204.3	553,758	\$22,646.7	257,407	\$9,714.2	23,758	\$999.1
March	6,230,244	266,685.5	3,375,914	173,949.0	925,204	25,217.9	1,082,747	33,652.9	562,261	23,007.9	260,223	9,851.6	23,895	1,006.3
April	6,322,934	271,243.8	3,430,714	177,109.4	938,946	25,646.9	1,094,953	34,102.8	570,974	23,369.3	263,225	9,997.8	24,122	1,017.6
May	6,397,697	275,072.0	3,476,640	179,808.7	949,554	25,989.3	1,103,499	34,448.7	578,461	23,684.5	265,292	10,116.6	24,251	1,024.1
June	6,468,777	278,702.0	3,519,415	182,334.4	959,077	26,302.0	1,111,874	34,769.8	586,306	24,015.9	267,720	10,249.5	24,385	1,030.4
July	6,521,373	281,492.7	3,554,250	184,416.6	966,846	26,557.9	1,114,916	34,903.7	591,746	24,242.7	269,115	10,336.2	24,500	1,035.6
August <sup>2</sup>	6,598,224	285,248.8	3,593,610	187,019.8	978,635	26,932.0	1,127,688	35,325.2	597,016	24,465.7	271,710	10,466.3	24,565	1,039.8
September	6,655,045	325,956.2	3,644,654	214,136.7	985,784	31,133.9	1,128,767	39,632.3	606,290	28,118.4	264,843	11,765.6	24,707	1,169.3
October	6,719,302	329,728.4	3,680,981	216,696.7	994,035	31,451.8	1,136,936	40,023.6	616,016	28,557.1	266,530	11,824.5	24,804	1,174.6
November	6,797,487	334,211.1	3,724,061	219,730.2	1,004,429	31,841.8	1,148,526	40,492.4	626,590	29,017.6	268,902	11,945.6	24,979	1,183.6
December	6,886,490	339,342.0	3,775,134	223,271.8	1,015,892	32,270.6	1,160,770	40,996.4	638,091	29,525.7	271,536	12,088.9	25,057	1,188.6
1955														
January	6,967,323	344,818.5	3,827,395	227,503.1	1,030,371	32,894.4	1,168,789	41,346.7	644,969	29,857.2	270,624	12,021.1	25,175	1,196.1
February	7,085,880	353,221.5	3,907,599	234,133.9	1,053,787	33,912.7	1,176,213	41,711.8	653,468	30,290.2	269,601	11,973.7	25,212	1,199.2
Monthly benefits awarded in February 1955	141,577	8,349.2	78,055	5,790.1	27,765	1,048.5	17,871	630.6	12,188	593.0	5,452	274.0	246	13.1

<sup>1</sup> Benefit in current-payment status is subject to no deduction or only to deduction of fixed amount that is less than the current month's benefit.

<sup>2</sup> Partly estimated.

**Table 7.—Old-age and survivors insurance: Number of monthly benefits withheld, by reason for withholding payment and type of benefit,<sup>1</sup> December 31, 1954**

[Based partly on 10-percent sample; corrected to Mar. 22, 1955]

Reason for withholding payment <sup>2</sup>	Total	Old-age			Wife's or husband's			Widow's or widower's	Mother's	Parent's
		Total	Men	Women	Total	Wives, aged 65 and over	Wives, under age 65	Husband's		
Total	345,852	224,819	185,548	39,271	54,596	49,439	4,693	464	5,633	60,701
Self-employment of beneficiary	31,789	26,538	22,558	3,980	469	405	53	11	771	4,006
Employment of beneficiary	246,396	188,301	154,497	33,804	2,784	1,703	1,058	23	3,452	51,830
Employment of old-age beneficiary on whose wages benefit is based	41,685				41,685	38,954	2,431	300		
Self-employment of old-age beneficiary on whose earnings benefit is based	7,503				7,503	6,923	470	110		
Failure to have care of an entitled child	3,288				454		454		2,834	
Payee not determined	2,153	1,412	1,074	338	248	217	21	10	257	218
Administrative reasons	13,038	8,568	7,419	1,149	1,453	1,237	206	10	1,153	1,813

<sup>1</sup> Data for child's benefits withheld are not available.

<sup>2</sup> As provided under section 203 of the amended act except for the reason "payee

not determined" in which case benefit payments are accrued pending determination of guardian or appropriate payee.

**Table 8.—Employment security: Selected data on nonfarm placements and unemployment insurance claims and benefits, by State, February 1955**

[Corrected to Mar. 25, 1955]

Region and State	Nonfarm place- ments	Initial claims <sup>1</sup>		Weeks of unemployment covered by continued claims		Compensated unemployment					Average weekly insured unemploy- ment under State pro- grams <sup>2</sup>
		Total	Women	Total	Women	All types of unemployment <sup>3</sup>			Total unemployment		
						Weeks com- pensated	Benefits paid <sup>4</sup>	Average weekly number of benefi- ciaries	Weeks com- pensated	Average weekly payment	
Total.....	373,295	1,027,050	325,786	7,843,400	2,367,171	6,687,564	\$163,097,547	1,671,891	6,261,747	\$25.06	+ 1,879,834
Region I:											
Connecticut.....	7,130	15,100	5,851	112,072	43,594	105,115	2,808,471	26,279	98,974	27.51	27,366
Maine.....	1,344	6,497	1,562	53,289	7,358	47,267	882,490	11,817	43,477	19.30	12,759
Massachusetts.....	15,494	37,794	15,088	286,534	94,674	258,169	6,551,620	64,542	243,911	25.75	70,082
New Hampshire.....	902	4,085	1,380	30,122	11,230	25,571	533,602	6,393	22,820	21.98	7,524
Rhode Island.....	1,438	10,733	5,522	68,296	29,035	59,893	1,335,794	14,973	54,827	23.17	16,846
Vermont.....	633	1,593	609	21,276	8,159	18,433	421,997	4,608	17,250	23.59	5,806
Region II:											
New Jersey.....	8,025	52,696	22,916	369,609	152,658	358,703	9,976,887	89,676	330,678	28.47	91,736
New York.....	52,335	187,106	72,126	1,018,192	377,749	893,466	23,272,404	223,366	824,527	27.10	251,772
Puerto Rico.....	2,618	52	23	377	97						
Virgin Islands.....	200	0	0	0	0						
Region III:											
Delaware.....	379	2,033	488	17,753	4,477	16,123	337,022	4,031	15,404	21.29	4,376
Dist. of Col.....	2,008	3,720	865	30,103	8,388	23,946	569,703	5,986	23,536	23.89	7,508
Maryland.....	4,358	14,798	3,731	107,731	30,458	97,503	2,401,383	24,398	89,970	25.35	25,086
North Carolina.....	8,806	33,324	16,802	202,240	93,861	168,198	2,628,649	42,050	156,647	16.02	43,320
Pennsylvania.....	16,497	114,263	30,051	856,798	211,411	766,236	19,555,530	191,559	722,018	26.28	213,795
Virginia.....	4,322	8,917	2,808	69,565	21,823	60,864	1,161,735	15,216	57,711	19.57	17,865
West Virginia.....	1,223	9,784	1,018	120,481	15,462	105,463	2,229,322	26,366	96,697	21.81	29,768
Region IV:											
Alabama.....	8,354	10,844	2,176	95,932	19,596	71,154	1,290,334	17,788	68,076	18.03	23,374
Florida.....	14,412	10,712	2,861	58,411	18,492	30,930	542,141	7,732	29,582	17.78	14,499
Georgia.....	9,790	13,554	5,447	113,674	51,829	88,646	1,639,483	22,162	82,580	18.94	26,456
Mississippi.....	5,464	7,519	1,793	69,595	13,967	50,679	950,814	12,670	46,779	19.38	17,239
South Carolina.....	4,747	7,475	2,306	61,789	22,158	56,488	1,025,617	12,122	54,112	18.50	15,125
Tennessee.....	6,680	16,263	6,538	188,579	64,793	168,676	3,130,533	42,169	159,226	18.86	46,435
Region V:											
Kentucky.....	4,358	14,707	3,089	170,319	35,266	136,829	2,989,513	34,207	132,485	21.89	41,200
Michigan.....	14,054	41,631	8,552	326,257	80,353	280,842	8,622,958	70,210	272,927	31.15	68,988
Ohio.....	17,440	41,527	9,503	367,507	86,095	336,793	9,501,390	84,198	319,368	28.91	89,026
Region VI:											
Illinois.....	14,236	48,244	16,748	476,980	163,261	397,302	9,785,488	99,326	361,395	25.80	110,241
Indiana.....	5,482	23,604	6,552	182,758	52,161	139,245	3,290,614	34,811	129,639	24.37	36,725
Minnesota.....	4,593	11,443	2,935	174,622	35,846	150,376	3,406,778	37,594	144,274	22.95	43,398
Wisconsin.....	5,509	12,075	3,208	136,563	37,707	118,305	3,327,198	29,576	109,246	28.58	33,024
Region VII:											
Iowa.....	4,354	6,691	1,857	56,210	15,358	46,902	1,022,590	11,726	43,518	22.45	13,979
Kansas.....	5,313	7,717	1,704	65,315	14,519	54,123	1,269,242	13,531	51,123	23.97	16,376
Missouri.....	5,665	19,423	5,396	179,237	49,639	141,522	2,917,219	35,380	132,514	21.41	44,436
Nebraska.....	3,504	3,541	1,007	35,569	7,042	32,862	778,744	8,216	31,575	24.18	9,010
North Dakota.....	1,038	1,625	281	29,599	3,100	23,768	615,870	5,942	22,224	26.36	6,680
South Dakota.....	794	1,351	284	15,046	2,247	11,450	259,792	2,862	10,747	23.27	3,767
Region VIII:											
Arkansas.....	6,660	10,483	2,248	93,101	19,653	52,223	888,588	13,056	46,733	17.71	20,026
Louisiana.....	6,641	14,360	2,418	110,988	17,409	79,249	1,747,245	19,812	73,008	22.83	27,830
Oklahoma.....	9,509	10,228	2,436	70,418	16,708	49,107	1,163,220	12,277	45,580	24.41	17,269
Texas.....	35,312	23,977	5,605	162,997	43,449	102,443	1,814,305	25,611	99,092	17.96	35,877
Region IX:											
Colorado.....	4,184	4,286	646	27,673	5,846	19,966	504,279	4,992	18,709	25.75	6,906
Montana.....	1,917	3,638	670	32,712	7,039	24,865	513,187	6,216	24,865	20.60	8,061
New Mexico.....	2,458	3,036	423	23,009	3,243	19,486	471,091	4,872	18,640	24.52	5,698
Utah.....	1,809	3,398	889	34,292	11,149	27,769	689,001	6,942	25,590	25.47	8,366
Wyoming.....	744	2,052	349	17,439	2,709	14,342	410,229	3,586	13,242	29.22	3,933
Region X:											
Arizona.....	3,932	4,162	869	25,548	5,919	16,682	355,295	4,170	15,975	21.51	6,308
California.....	24,559	99,677	36,312	640,903	244,920	540,118	13,721,259	135,030	501,811	26.21	158,920
Hawaii.....	747	1,862	652	17,608	7,407	13,302	265,053	3,326	11,609	21.04	( <sup>5</sup> )
Nevada.....	1,369	2,169	568	13,517	4,173	12,869	383,324	3,217	12,034	30.51	3,295
Region XI:											
Alaska.....	833	1,476	212	29,160	3,806	37,190	1,236,605	9,298	36,292	33.23	( <sup>5</sup> )
Idaho.....	1,399	2,686	544	39,088	6,712	33,340	778,387	8,335	32,403	23.51	9,886
Oregon.....	3,303	14,045	2,786	124,375	28,902	117,555	2,634,388	29,389	111,868	22.89	30,236
Washington.....	4,420	22,774	5,112	212,172	54,294	185,126	4,519,344	46,282	174,399	24.71	51,641

<sup>1</sup> Total excludes transitional claims.

<sup>2</sup> Total, part-total, and partial.

<sup>3</sup> Not adjusted for voided benefit checks and transfers under interstate combined-wage plan.

<sup>4</sup> Excludes Alaska and Hawaii.

<sup>5</sup> Data not available.

Source: Department of Labor, Bureau of Employment Security, and affiliated State agencies.

**Table 9.—Public assistance in the United States, by month, February 1954–February 1955<sup>1</sup>**

[Except for general assistance, includes vendor payments for medical care and cases receiving only such payments]

Year and month	Total <sup>2</sup>	Old-age assistance	Aid to dependent children		Aid to the blind	Aid to the permanently and totally disabled	General assistance	Total	Old-age assistance	Aid to dependent children (families)	Aid to the blind	Aid to the permanently and totally disabled	General assistance	
			Families	Recipients										
				Total <sup>3</sup>										Children
1954	Number of recipients							Percentage change from previous month						
February		2,578,293	560,556	1,995,673	1,503,677	99,605	200,030	312,000		-0.3	+1.4	-0.1	+0.9	+5.1
March		2,582,057	569,537	2,030,505	1,530,070	99,934	202,758	326,000		+1	+1.6	+3	+1.4	+4.5
April		2,583,201	575,484	2,053,918	1,547,730	100,295	205,453	318,000		( <sup>4</sup> )	+1.0	+4	+1.3	-2.4
May		2,582,919	579,954	2,070,859	1,560,881	100,646	208,407	304,000		( <sup>5</sup> )	+8	+3	+1.4	-4.7
June		2,582,403	581,895	2,079,469	1,566,743	100,930	211,741	299,000		( <sup>5</sup> )	+3	+3	+1.6	-1.6
July		2,579,228	581,179	2,078,251	1,565,887	101,229	214,829	297,000		-1	-1	+3	+1.5	-5
August		2,578,682	584,715	2,093,489	1,577,953	101,456	217,432	303,000		( <sup>5</sup> )	+6	+2	+1.2	+2.0
September		2,578,207	588,088	2,109,981	1,590,409	101,759	219,752	308,000		( <sup>5</sup> )	+6	+3	+1.1	+1.7
October		2,569,458	590,975	2,121,879	1,599,738	101,954	221,265	310,000		-3	+5	+2	+7	+8
November		2,565,342	594,300	2,136,995	1,611,647	102,193	222,631	322,000		-2	+6	+2	+6	+3.7
December		2,564,686	603,932	2,173,569	1,639,948	102,445	224,393	351,000		( <sup>5</sup> )	+1.6	+2	+3	+8.9
1955														
January		2,558,378	610,518	2,197,927	1,658,102	102,587	225,855	370,000		-2	+1.1	+1	+7	+5.6
February		2,553,913	617,692	2,226,024	1,679,072	102,808	227,490	380,000		-2	+1.2	+2	+7	+2.5
1954	Amount of assistance							Percentage change from previous month						
February	\$216,529,000	\$132,135,293	\$47,420,169		\$5,551,002	\$10,699,610	\$15,859,000	+0.6	-0.4	+1.7	+0.1	+1.5	+6.2	
March	219,764,000	132,589,452	48,392,469		5,575,575	10,850,504	17,093,000	+1.5	+3	+2.1	+4	+1.4	+7.8	
April	220,012,000	132,610,726	48,868,806		5,598,300	11,043,200	16,615,000	+1	( <sup>4</sup> )	+1.0	+4	+1.8	-2.8	
May	219,890,000	132,747,559	49,304,380		5,621,118	11,164,649	15,510,000	-1	+1	+9	+4	+1.1	-6.7	
June	220,010,000	132,859,663	49,507,880		5,631,935	11,330,308	15,416,000	+1	+1	+4	+2	+1.5	-6	
July	219,998,000	132,737,720	49,550,875		5,675,355	11,652,274	15,483,000	( <sup>5</sup> )	-1	+1	+8	+2.0	+4	
August	220,883,000	132,934,770	49,743,774		5,675,905	11,638,641	15,891,000	+4	+1	+4	( <sup>5</sup> )	+7	+2.6	
September	222,821,000	133,470,469	50,293,374		5,704,478	11,805,299	16,544,000	+9	+4	+1.1	+5	+1.4	+4.1	
October	222,628,000	132,371,000	50,775,470		5,732,141	12,037,489	16,910,000	-1	-8	+1.0	+5	+2.0	+2.2	
November	224,346,000	132,502,142	50,948,452		5,746,741	12,110,814	17,776,000	+8	+1	+3	+3	+6	+1.1	
December	229,219,000	133,103,900	52,083,695		5,774,614	12,324,863	20,075,000	+2.2	+5	+2.2	+5	+1.8	+12.9	
1955														
January	229,695,000	132,948,916	52,337,556		5,795,865	12,280,061	20,949,000	+2	-1	+5	+4	-4	+4.4	
February	230,360,000	132,054,844	53,192,939		5,822,433	12,421,584	21,518,000	+3	-7	+1.6	+5	+1.2	+2.7	

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Total exceeds sum of columns because of inclusion of vendor payments for medical care from general assistance funds, from special medical funds, and, for one State for January 1954–June 1954, from funds for the special types of public assistance; data for such expenditures partly estimated for some States.

<sup>3</sup> Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

<sup>4</sup> Increase of less than 0.05 percent.

<sup>5</sup> Decrease of less than 0.05 percent.

## WHY BENEFICIARIES RETIRE

(Continued from page 12)

1951 survey, including a few whose jobs had been terminated by their employers for this reason, said they had stopped originally because they were not able to continue in their jobs. Seven-eighths of all those who had quit for this reason had never thereafter been employed full time (regularly for at least 35 hours a week for at least 6 consecutive months); three-fourths had not worked at all during the survey year and at the end of the year said they were not well enough to work.

Of the other retired workers—the remainder of those who quit and those who are dismissed by their employers for reasons not related to

their health—a considerable number seem to get back into the labor force. A fourth of the men and women in the 1951 survey whose jobs had been terminated for these reasons subsequently had been reemployed full time, and 14 percent were still employed full time at the end of the survey year. In that one year, 2 in 5 who had quit originally for reasons other than impaired work capacity or who had been dismissed by their employers had some employment, although not necessarily full time or for any considerable period; at the end of the year two-fifths said they were not able to work. Relatively more men than women were employed; indeed the deterioration in work capacity among the women who had quit

for reasons not related to their health seemed much more marked than among the men.

Except in a period of great industrial activity—for example, during World War II—about as many elderly workers in industry and commerce tend to leave their jobs of their own accord as are dismissed by their employers. In a tight labor market, older workers are more likely to be retained in their jobs, and those who leave tend to be the ones who believe that they are too old, too ill, or otherwise too incapacitated for further employment.

Voluntary terminations of covered employment for reasons other than impaired work capacity are sometimes caused by planned changes in



Table 10.—Amount of vendor payments for medical care for recipients of public assistance, by program and State, February 1955 <sup>1</sup>

State	Old-age assistance	Aid to dependent children	Aid to the blind	Aid to the permanently and totally disabled	General assistance <sup>2</sup>
Total.....	\$9, 033, 441	\$1, 634, 939	\$243, 179	\$1, 605, 432	\$ 5, 350, 000
Alabama.....	485	561		222	58
Alaska.....				( <sup>3</sup> )	15, 744
California.....				( <sup>3</sup> )	76, 953
Colorado.....			154		( <sup>3</sup> )
Connecticut.....	218, 413	83, 198	2, 496	30, 402	( <sup>3</sup> )
Delaware.....					18
District of Columbia.....	40	44		63	16
Hawaii.....	19, 602	6, 239	990	15, 360	( <sup>3</sup> )
Illinois.....	1, 900, 510	228, 196	54, 344	238, 070	543, 111
Indiana.....	403, 784	67, 923	17, 963	( <sup>3</sup> )	209, 903
Iowa.....				( <sup>3</sup> )	185, 073
Kansas.....	187, 072	41, 712	3, 470	25, 865	47, 482
Louisiana.....	55	3, 788	263	1, 354	1, 475
Maine.....				( <sup>3</sup> )	47, 366
Massachusetts.....	1, 863, 115	122, 239	1, 208	421, 352	134, 883
Michigan.....	135, 878		1, 802	21, 556	88, 125
Minnesota.....	1, 186, 670	95, 739	35, 130	4, 079	187, 562
Montana.....					158, 632
Nebraska.....				( <sup>3</sup> )	148, 911
Nevada.....	6, 610			( <sup>3</sup> )	67, 874
New Hampshire.....	76, 788	14, 297	2, 421	4, 400	( <sup>3</sup> )
New Jersey.....		12, 757	16		152, 394
New Mexico.....	27, 154	13, 126	1, 650	3, 110	3, 888
New York.....	1, 990, 810	632, 025	74, 471	723, 090	( <sup>3</sup> )
North Carolina.....	18, 209	11, 009		6, 379	167, 603
North Dakota.....	89, 765	14, 372	146	19, 536	20, 352
Ohio.....	218, 621	23, 707	7, 263		903, 201
Oregon.....					149, 523
Pennsylvania.....	152, 270	123, 045	27, 893	46, 319	95, 875
Rhode Island.....	53, 968	23, 674	1, 410	16, 303	20, 646
South Carolina.....					10, 573
South Dakota.....					70, 065
Utah.....	496	768		48	270
Virgin Islands.....	197	67	17	32	72
Virginia.....					8, 434
Wisconsin.....	482, 949	116, 653	9, 972	27, 892	143, 260
Wyoming.....					38, 213

<sup>1</sup> For the special types of public assistance, figures in italics represent payments made without Federal participation. States not shown made no vendor payments during the month or did not report such payments.

<sup>2</sup> In all States except California, Illinois, Kansas, Louisiana, Massachusetts, Nevada, New Jersey, Pennsylvania, Utah, and the Virgin Islands includes payments made on behalf of recipients of the special types of public assistance.

<sup>3</sup> Includes an estimated amount for States making vendor payments for medical care from general assistance funds and from special medical funds and reporting these data semiannually but not on a monthly basis.

<sup>4</sup> No program for aid to the permanently and totally disabled.

<sup>5</sup> Data not available.

jobs or by situations that are temporary, and employment is available for these persons when they are ready to return. Consequently, more beneficiaries who quit work for reasons

not related to their health seem to be employed later, and to be employed more regularly and more steadily, than beneficiaries who leave their jobs for all other reasons combined.

In the 1951 survey, however, voluntary job terminations for reasons other than incapacity accounted for only a seventh of all the terminations.

**Table 11.—Average payments including vendor payments for medical care, average amount of money payments, and average amount of vendor payments for assistance cases, by program and State, February 1955<sup>1</sup>**

State	Old-age assistance			Aid to dependent children (per family)			Aid to the blind			Aid to the permanently and totally disabled		
	All assistance <sup>2</sup>	Money payments to recipients <sup>3</sup>	Vendor payments for medical care <sup>2</sup>	All assistance <sup>2</sup>	Money payments to recipients <sup>3</sup>	Vendor payments for medical care <sup>2</sup>	All assistance <sup>2</sup>	Money payments to recipients <sup>3</sup>	Vendor payments for medical care <sup>2</sup>	All assistance <sup>2</sup>	Money payments to recipients <sup>3</sup>	Vendor payments for medical care <sup>2</sup>
Total, 53 States <sup>4</sup>	\$51.71	\$48.41	\$3.54	\$86.12	\$83.54	\$2.65	\$56.63	\$54.44	\$2.37	\$54.60	\$48.12	\$7.06
Alabama	30.38	30.37	.01	43.07	43.05	.02	60.17	59.88	.47	35.55	35.53	.02
Colorado	82.88	69.88	13.00	137.20	120.20	17.00	90.35	82.35	8.00	106.67	88.67	18.00
Connecticut	53.22	53.20	.01	106.38	106.36	.02	65.02	50.52	15.21	60.06	60.03	.03
District of Columbia	47.44	36.63	10.81	90.82	88.90	1.92	55.11	46.11	9.00	62.06	50.16	11.90
Hawaii	59.62	41.44	19.58	131.97	120.91	11.10	65.02	50.52	15.21	80.26	41.81	40.05
Illinois	47.88	37.66	10.82	89.86	82.09	7.86	59.06	49.31	10.14	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Indiana	64.52	59.43	5.44	112.49	103.94	8.48	71.14	66.11	5.68	66.97	59.55	7.81
Kansas	50.79	50.79	( <sup>6</sup> )	64.72	64.51	.21	49.51	49.38	.13	42.43	42.32	.11
Louisiana	76.36	56.26	20.60	126.52	117.29	9.47	93.94	93.31	.68	96.48	56.30	43.40
Massachusetts	54.94	54.27	1.79	119.75	107.56	12.36	62.68	62.34	.99	71.68	70.36	0.98
Michigan	66.09	43.86	22.84	119.75	107.56	12.36	82.41	55.31	28.40	55.49	50.26	6.72
Minnesota	57.48	55.78	2.49	119.75	107.56	12.36	82.41	55.31	28.40	( <sup>5</sup> )	( <sup>5</sup> )	( <sup>5</sup> )
Nevada	58.75	46.91	12.00	128.80	115.62	13.50	63.79	54.79	9.00	71.44	51.44	20.00
New Hampshire	45.84	43.61	2.23	116.08	113.84	2.24	69.10	69.16	.02	40.29	38.62	1.68
New Jersey	77.08	60.92	19.21	135.73	125.00	11.78	46.79	42.93	3.86	82.91	67.46	18.02
New Mexico	31.28	30.93	.35	61.77	61.20	.57	55.12	53.84	1.28	37.12	36.50	.61
New York	64.33	53.89	10.84	119.66	110.23	9.72	57.19	55.24	1.95	79.83	57.76	23.09
North Carolina	57.84	55.71	2.13	91.75	90.18	1.58	51.10	49.39	1.71	54.22	50.60	3.62
North Dakota	46.09	43.47	2.68	105.86	101.76	4.10	71.16	65.13	7.83	73.55	65.41	11.65
Ohio	58.31	53.52	6.52	112.05	105.05	7.00	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	64.26	64.23	.03
Pennsylvania	59.40	59.34	.06	113.22	112.97	.24	( <sup>7</sup> )	( <sup>7</sup> )	( <sup>7</sup> )	14.94	14.60	.34
Rhode Island	14.09	13.80	.29	23.79	23.43	.36	67.06	58.53	8.58	90.70	66.17	24.71
Virgin Islands	62.96	51.98	11.07	140.31	126.20	14.16						
Wisconsin												

<sup>1</sup> Averages for general assistance not computed because of difference among States in policy or practice regarding use of general assistance funds to pay medical bills for recipients of the special types of public assistance. Figures in italics represent payments made without Federal participation. States not shown made no vendor payments during the month or did not report such payments.

<sup>2</sup> Averages based on cases receiving money payments, vendor payments for medical care, or both.

<sup>3</sup> Averages based on number of cases receiving payments. See tables 12-15 for average money payments for States not making vendor payments.

<sup>4</sup> For aid to the permanently and totally disabled represents data for the 42 States with programs in operation.

<sup>5</sup> No program for aid to the permanently and totally disabled.

<sup>6</sup> Less than 1 cent.

<sup>7</sup> Average payment not computed on base of less than 50 recipients.

## MEDICAL ADVISORY COMMITTEE

(Continued from page 27)

agency making the disability determination to explain to the applicant whose application for a disability freeze has been disallowed on medical grounds how his impairment may be corrected.

(3) Similarly, a trained person should be available so that, for those whose applications are disallowed, appropriate referral to other public agency resources for services or assistance can be made.

(4) Closer cooperation should be fostered between the health profession and the administration of tax-

supported medical care programs for the indigent.

(5) State agencies responsible for the determination of disability should take the initiative in acquainting the medical societies and their members with the purposes, methods, and benefits of the disability freeze provision.

**Table 12.—Old-age assistance: Recipients and payments to recipients, by State, February 1955<sup>1</sup>**

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1955 in—		February 1954 in—	
				Number	Amount	Number	Amount
Total <sup>2</sup> .....	2,553,913	\$132,054,844	\$51.71	-0.2	-0.7	-0.9	-0.1
Ala.....	63,291	1,922,656	30.38	(7)	+3	-8	+18.6
Alaska.....	1,701	107,412	63.15	+9	+1.1	+2.6	+6.3
Ariz.....	13,698	764,978	55.85	-1.2	-4	-9	-1.3
Ark.....	52,880	1,794,395	33.93	+2	+4	+7	+9.1
Calif.....	270,476	18,232,934	67.41	-1	-1	-3	-2.7
Colo. <sup>3</sup> .....	52,670	3,969,704	75.37	-2	-20.4	-1	-3.4
Conn.....	16,801	1,392,522	82.88	+1	+4	+2.6	+6.4
Del.....	1,656	65,661	39.65	-4	-3	-7	-7
D. C.....	3,025	160,978	53.22	-1	+4	+6.3	+5.7
Fla.....	69,167	3,182,624	46.01	-1	(7)	+1.9	+3.0
Ga.....	97,619	3,671,224	37.61	(7)	+2	+1.6	+2.9
Hawaii.....	1,814	86,051	47.44	+3	+1.0	-6.1	+11.3
Idaho.....	8,843	481,253	54.42	-1	-2	-1.4	-2.5
Ill.....	97,052	5,786,279	59.62	-4	-5	-2.4	+3.4
Ind.....	37,335	1,787,416	47.88	-5	-4	-3.4	(7)
Iowa.....	42,136	2,407,892	57.15	-4	-3	-4.1	-3.5
Kans.....	34,396	2,219,208	64.52	-1	+3	-1.8	-6
Ky.....	55,602	1,959,464	35.24	-3	-3	+5	+1.1
La.....	119,457	6,067,297	50.79	(7)	+2	(7)	-8
Maine.....	12,611	585,507	46.43	(7)	+1	-2.9	-3.3
Md.....	10,618	478,187	45.04	-4	-1	-1.2	+6
Mass.....	90,439	6,905,500	76.36	-3	+4	-3.8	-1.1
Mich.....	75,837	4,167,282	54.94	-5	+1	-4.6	-9
Minn.....	51,946	3,433,250	66.09	-1	+2.0	-1.6	+3.1
Miss.....	68,459	1,916,626	28.00	+7	+7	+7.2	+7.2
Mo.....	133,083	6,590,488	49.52	-1	(7)	-1	-1.1
Mont.....	9,252	534,049	57.72	-4	-4	-4.9	-5.7
Nebr. <sup>4</sup> .....	17,983	897,172	49.89	-5	-3	-3.1	-1.7
Nev.....	2,651	132,374	57.48	-1	(7)	+4	+1.3
N. H.....	6,399	375,925	58.75	-5	-1	-5.3	-4.9
N. J.....	20,576	1,383,556	67.24	-4	+3	-1.5	+4.5
N. Mex.....	12,183	558,437	45.84	+1	-2	+5.8	+4.2
N. Y.....	103,616	7,987,056	77.08	-5	-2	-3.4	+4
N. C.....	51,479	1,610,407	31.28	(7)	+2	+1.4	+4.1
N. Dak.....	8,282	532,783	64.33	+8	+5.1	-2.2	+3.9
Ohio.....	102,667	5,938,448	57.84	-4	+2	-3.2	-8
Okla.....	95,103	5,588,492	58.76	-1	(7)	-2	+1.6
Oreg.....	19,953	1,290,093	64.66	-5	-7	-3.6	-2.8
Pa. <sup>5</sup> .....	57,933	2,670,410	46.09	-6	-3	-5.5	+7
P. R.....	44,779	349,708	7.81	-1	+1	-1	+2.0
R. I.....	8,282	482,898	58.31	-6	+1	-5.6	-1.8
S. C.....	43,159	1,382,897	32.04	+1	+4	+1.6	-2.9
S. Dak.....	10,936	487,592	44.59	-2	-2	-2.5	-2.6
Tenn.....	67,010	2,318,029	34.30	-3	-3	+1.7	-2.3
Tex.....	222,148	8,621,692	38.81	+1	+2	+5	+8
Utah.....	9,502	564,374	59.40	-3	-3	-5	-1.0
Vt.....	6,923	307,227	44.38	(7)	+1	+6	+1.3
V. I.....	677	9,538	14.09	-9	-8	-2.2	-5
Va.....	17,251	512,285	29.70	-4	-3	-1	+3.8
Wash. <sup>6</sup> .....	59,957	3,690,301	61.55	-5	-2	-4.0	-5.4
W. Va.....	24,897	688,744	27.66	-2	-3	-4.6	-16.3
Wis.....	43,640	2,747,483	62.96	-9	+7	-7.7	-1.3
Wyo.....	4,043	236,086	58.39	-1	(7)	-5	-2.3

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Includes 4,127 recipients aged 60-64 in Colorado and payments of \$341,346 to these recipients. Such payments are made without Federal participation.

<sup>3</sup> Decrease of less than 0.05 percent.

<sup>4</sup> Increase of less than 0.05 percent.

<sup>5</sup> In addition to these payments from old-age assistance funds, supplemental payments of \$111,722 from general assistance funds were made to recipients for medical care.

**Table 13.—Aid to the blind: Recipients and payments to recipients, by State, February 1955<sup>1</sup>**

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1955 in—		February 1954 in—	
				Number	Amount	Number	Amount
Total <sup>2</sup> .....	102,808	\$5,822,433	\$56.63	+0.2	+0.5	+3.2	+4.9
Ala.....	1,565	54,578	34.87	+4	+3	+5.6	+38.5
Alaska.....	58	2,632	45.38	(7)	(7)	(7)	(7)
Ariz.....	716	45,481	63.52	-1.0	-4	+7	+1.7
Ark.....	1,956	79,017	40.40	+2	+3	+3.7	+10.9
Calif. <sup>3</sup> .....	12,488	1,059,556	84.85	+4	+4	+4.2	+3.6
Colo.....	328	19,735	60.17	-3	-1.6	-3.5	-13.9
Conn.....	312	28,188	90.35	-6	+2.8	+2.0	+2.7
Del.....	209	12,764	61.07	+5	-3	-6.7	+6
D. C.....	256	15,117	59.05	0	+4	+2.8	+7.3
Fla.....	2,867	139,866	48.78	-4	-2	-3.5	-2.9
Ga.....	3,326	142,295	42.78	+6	+7	+5.2	+6.5
Hawaii.....	110	6,062	55.11	+1.9	+2.7	+3.8	+19.6
Idaho.....	189	11,472	60.70	+1.1	+1.0	-1.0	+5
Ill.....	3,574	232,387	65.02	-1	-3	-2.6	+1.0
Ind.....	1,772	104,657	59.06	+2	+3.8	+5.8	+18.6
Iowa.....	1,441	105,245	73.04	+1.2	+1.3	+5.4	+5.7
Kans.....	624	44,393	71.14	+6	+3.5	+1.0	+5.4
Ky.....	2,895	107,630	37.18	+7	+8	+11.2	+12.1
La.....	2,017	99,862	49.51	-6	-3	+1.7	+3.9
Maine.....	556	28,179	50.68	0	+1	+3.0	+3.5
Md.....	470	23,899	50.85	+4	-1	-6	+1
Mass.....	1,782	167,396	93.94	+1	+1.9	+3.1	+8.6
Mich.....	1,817	113,896	62.68	-5	-4	+3.8	+6.7
Minn.....	1,237	101,947	82.41	-4	+3.0	+2.8	+9.4
Miss.....	3,437	117,903	34.30	+8	+8	+8.8	+9.1
Mo. <sup>4</sup> .....	3,988	219,340	55.00	+4	+4	+6.7	+6.7
Mont.....	453	29,233	64.53	-9	-3	-2.6	-2.4
Nebr. <sup>4</sup> .....	715	41,248	57.69	+8	+1.6	+1.1	+2.4
Nev.....	100	7,536	75.36	-2.0	-1.7	(7)	(7)
N. H.....	269	17,159	63.79	-4	-1	-7.6	-4.1
N. J.....	870	60,118	69.10	+7	+2.3	+3.4	+7.6
N. Mex.....	428	20,026	46.79	-7	-4	-2.5	+2.3
N. Y.....	4,382	375,755	85.75	-5	-7	+1.6	+4.8
N. C.....	4,788	193,545	40.42	+3	+4	+3.0	+4.2
N. Dak.....	114	6,284	55.12	+2.7	-1.9	+1.8	-2
Ohio.....	3,724	212,972	57.19	+2	+4	+2.8	+5.2
Okla.....	2,041	143,872	70.49	(7)	(7)	-6.3	-3
Oreg.....	362	27,195	75.12	+1.7	+1.8	+5.2	+5.5
Pa. <sup>5</sup> .....	16,343	835,182	51.10	+1	+1	+2.9	+6.1
P. R.....	1,485	11,528	7.76	+1.4	+1.3	+15.7	+17.0
R. I.....	180	12,808	71.16	-2.2	-2.2	-6.7	-5.3
S. C.....	1,743	65,438	37.54	+3	+5	+4.2	+9
S. Dak.....	204	8,875	43.50	+2.0	+2.6	-1.0	+4
Tenn.....	3,284	136,605	41.60	+5	+4	+5.7	+6.1
Texas.....	6,402	281,918	44.04	+4	+4	+4.6	+5.6
Utah.....	225	15,076	67.00	+4	+1.0	+7.1	+11.9
Vt.....	162	7,798	48.14	+6	+1.4	-3.0	-3.6
V. I.....	35	505	(7)	(7)	(7)	(7)	(7)
Va.....	1,309	46,300	35.37	+5	-5	-1.2	-3
Wash. <sup>6</sup> .....	778	61,192	78.65	-3	+6	-3	-5
W. Va.....	1,194	38,570	32.30	-1	-4	+3.9	-7.9
Wis.....	1,162	77,923	67.06	+4	+3	-3.3	-1.5
Wyo.....	66	4,275	64.77	(7)	(7)	(7)	(7)

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Data include recipients of payments made without Federal participation and payments to these recipients as follows: In California (410 recipients, \$36,654 in payments), in Washington (3 recipients, \$180 in payments), in Missouri (768 recipients, \$42,240 in payments), and in Pennsylvania (7,578 recipients, \$374,809 in payments).

<sup>3</sup> Average payment not computed on base of less than 50 recipients; percentage change, on less than 100 recipients.

<sup>4</sup> In addition to these payments from aid to the blind funds, supplemental payments of \$6,005 from general assistance funds were made to recipients for medical care.

<sup>5</sup> Decrease of less than 0.05 percent.



**Table 14.—Aid to dependent children: Recipients and payments to recipients, by State, February 1955 <sup>1</sup>**

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of families	Number of recipients		Payments to recipients			Percentage change from—			
		Total <sup>2</sup>	Children	Total amount	Average per—		January 1955 in—		February 1954 in—	
					Family	Recipient	Number of families	Amount	Number of families	Amount
Total <sup>3</sup>	617,692	2,226,024	1,679,072	\$53,192,939	\$86.12	\$23.90	+1.2	+1.6	+10.2	+12.2
Alabama	17,269	66,413	51,009	743,848	43.07	11.20	+1.3	+1.7	+6.3	+8.8
Alaska	1,200	4,111	3,022	88,226	73.52	21.46	+2.2	+2.7	+22.0	+8.4
Arizona	4,687	17,890	13,650	422,956	90.24	23.64	+6.5	+7.1	+17.6	+18.6
Arkansas	8,699	32,992	25,445	478,075	54.95	14.49	+6.0	+6.8	+13.0	+18.6
California	55,988	187,316	142,962	7,021,066	125.40	37.48	+2.0	+2.2	+7.8	+10.5
Colorado	5,987	22,455	17,185	585,316	97.76	26.07	+1.4	+2.3	+8.9	+7.7
Connecticut	4,894	15,985	11,842	671,469	137.20	42.01	+1.5	+2.5	+20.7	+25.8
Delaware	1,038	4,083	3,130	90,359	87.05	22.13	+2.0	+2.8	+35.0	+33.9
District of Columbia	2,382	9,761	7,598	253,400	106.38	25.96	+2.1	+1.3	+10.6	+11.5
Florida	20,905	73,543	55,887	1,140,720	54.57	15.51	+2.2	+2.2	+9.5	+11.3
Georgia	14,849	54,111	41,483	1,115,679	75.13	20.62	+2.2	+2.5	+11.2	+13.0
Hawaii	3,252	12,345	9,765	295,348	90.82	23.92	+2.1	+2.4	+12.5	+11.4
Idaho	1,902	6,703	4,897	237,601	124.97	35.46	+2.8	+2.8	+7.7	+2.3
Illinois	20,565	78,872	59,657	2,713,944	131.97	34.41	+2.5	+1.0	+4.9	+10.6
Indiana	8,638	30,348	22,539	776,220	89.86	25.58	+2.8	+2.3	+15.3	+20.8
Iowa	6,540	23,640	17,658	749,316	114.57	31.70	+2.5	+2.1	+8.3	+3.0
Kansas	4,426	16,060	12,327	497,899	112.49	31.00	+1.5	+2.9	+8.5	+10.5
Kentucky	18,738	66,592	49,593	1,179,301	62.94	17.71	+2.3	+2.6	+5.2	+8.7
Louisiana	17,928	68,747	52,163	1,160,250	64.72	16.88	+2.7	+1.2	( <sup>4</sup> )	+2.1
Maine	4,461	15,521	11,207	365,134	81.85	23.53	+1.8	+2.0	+6.7	+5.9
Maryland	6,417	25,924	20,040	614,981	95.84	23.72	+2.8	+1.2	+13.1	+14.5
Massachusetts	12,902	43,100	31,841	1,632,379	126.52	37.87	+1.0	+1.4	+5.8	+8.9
Michigan	20,243	68,776	49,896	2,234,649	110.39	32.49	+1.3	+1.7	+12.7	+20.0
Minnesota	7,743	26,284	20,211	927,194	119.75	35.28	+2.7	+1.1	+9.0	+12.1
Mississippi	15,655	59,466	45,890	402,437	25.71	6.77	+1.3	+3.2	+17.8	+24.5
Missouri	21,650	75,640	56,065	1,463,118	67.58	19.34	+2.1	+2.4	+6.6	+8.7
Montana	2,130	7,493	5,628	222,204	104.32	29.65	0	+2.8	-9	-3
Nebraska	2,574	9,284	6,934	241,614	93.87	26.02	+2.8	+1.3	+6.3	+8.0
Nevada <sup>5</sup>	17	62	45	755	( <sup>6</sup> )	12.18	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )	( <sup>6</sup> )
New Hampshire	1,059	3,881	2,910	136,397	128.80	35.14	+1.3	+2.9	+7.3	+5.6
New Jersey	5,704	19,052	14,477	662,122	116.08	34.75	+2.8	+2.6	+12.3	+20.0
New Mexico	6,938	25,322	19,454	511,504	73.72	20.20	+1.1	+1.2	+14.3	+14.9
New York	53,640	191,667	139,944	7,280,484	135.73	37.99	+1.4	+1.5	+15.1	+17.9
North Carolina	19,455	73,686	56,230	1,201,744	61.77	16.31	+1.6	+1.9	+8.2	+12.9
North Dakota	1,478	5,437	4,175	176,857	119.66	32.53	+2.7	+2.2	+2.1	+5.1
Ohio <sup>6</sup>	15,042	56,618	42,963	1,380,146	91.75	24.38	+1.4	+2.2	+17.6	+19.7
Oklahoma	15,462	53,675	39,366	1,176,859	76.11	21.93	+2.8	+2.1	+1.1	+6.2
Oregon	3,970	14,136	10,669	490,954	123.67	34.73	+2.8	+2.4	+16.0	+16.8
Pennsylvania	30,040	114,197	86,378	3,179,939	105.86	27.85	+1.7	+2.2	+19.7	+27.3
Puerto Rico	42,060	141,128	107,930	430,445	10.23	3.05	+2.5	+1.0	+14.6	+18.8
Rhode Island	3,382	11,661	8,576	378,962	112.05	32.50	+2.1	+2.4	+7.4	+9.6
South Carolina	8,251	32,142	25,035	390,804	47.36	12.16	+1.5	+1.9	+14.3	+11.8
South Dakota	2,873	9,415	7,212	233,535	81.29	24.80	+1.5	+1.1	+4.9	+4.1
Tennessee	21,755	78,088	58,268	1,297,724	59.65	16.62	+2.3	+2.5	+4.1	+8.2
Texas	22,823	89,347	66,823	1,369,973	60.03	15.33	+2.6	+2.9	+17.8	+16.4
Utah	3,157	11,066	8,213	357,421	113.22	32.30	+2.3	+2.7	+4.9	+5.0
Vermont	1,096	3,810	2,867	85,695	78.05	22.49	+1.0	+1.1	+7.8	+8.8
Virgin Islands	185	703	563	4,402	23.79	6.26	+2.5	+2.9	+12.8	+32.6
Virginia	8,830	34,140	26,338	569,967	64.55	16.69	+2.9	+1.1	+12.1	+7.3
Washington	9,027	30,673	22,452	945,780	104.77	30.83	+1.6	+2.6	+3.9	+3.8
West Virginia	18,988	72,071	56,017	1,388,513	73.13	19.27	+2.8	+1.1	+9.6	+2.0
Wisconsin	8,241	28,599	21,110	1,156,328	140.31	40.43	+1.4	+5.2	+4.6	+9.6
Wyoming	555	1,993	1,513	60,836	109.61	30.52	+2.2	+3.7	+4.3	+6.7

<sup>1</sup> For definitions of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Includes as recipients the children and 1 parent or other adult relative in families in which the requirements of at least 1 such adult were considered in determining the amount of assistance.

<sup>3</sup> Includes program administered without Federal participation in Nevada.

<sup>4</sup> Increase of less than 0.05 percent.

<sup>5</sup> Average payment not computed on base of less than 50 families; percentage change, on less than 100 families.

<sup>6</sup> In addition to these payments from aid to dependent children funds, supplemental payments of \$146,217 from general assistance funds were made to 3,817 families.

**Table 15.—Aid to the permanently and totally disabled: Recipients and payments to recipients, by State, February 1955<sup>1</sup>**

[Includes vendor payments for medical care and cases receiving only such payments]

State	Number of recipients	Payments to recipients		Percentage change from—			
		Total amount	Average	January 1955 in—		February 1954 in—	
				Number	Amount	Number	Amount
Total.....	227,490	\$12,421,584	\$54.60	+0.7	+1.2	+13.7	+16.1
Ala.....	9,348	332,327	35.55	+5	+6	+9.8	+53.8
Ark.....	4,412	136,029	30.83	+2.7	+2.7	+68.1	+68.0
Calif.....	4,925	254,743	51.72	+3	+7	+11.7	+2.2
Conn.....	1,689	180,174	106.67	+5.0	+8.3	+50.3	+89.7
Del.....	175	9,324	53.28	-1.7	-9	(7)	(7)
D. C.....	2,186	131,288	60.06	+1.0	+6	+31.3	+32.5
Ga.....	8,490	356,264	41.96	+2.0	+2.1	+23.4	+26.5
Hawaii.....	1,291	80,121	62.06	+1.0	+7	+10.5	+28.2
Idaho.....	841	50,916	60.54	+1.2	+1.6	+5	+2.9
Ill.....	5,944	477,070	80.26	+1.2	+1.0	+13.3	+24.1
Kans.....	3,310	221,673	66.97	+5	-1.5	+6.3	+8.0
La.....	12,161	515,960	42.43	+5	+6	-6	+1.2
Md.....	4,298	227,202	52.86	-5	-4	+9.6	+11.3
Mass.....	9,708	936,641	96.48	+3	+1	+3.0	+7.8
Mich.....	2,160	154,818	71.68	+1.6	+2.3	+17.6	+23.8
Minn.....	607	33,685	55.49	+2.9	+3.4	(7)	(7)
Miss.....	2,851	70,092	24.59	+4	+4	+26.7	+26.7
Mo.....	14,160	734,626	51.88	-4	-4	-2.0	-2.1
Mont.....	1,466	92,225	62.91	-1	-4	+11.0	+11.8
N. H.....	230	15,717	71.44	+1.4	+1.4	+41.9	+42.9
N. J.....	3,055	240,497	78.72	+1.5	+1.4	+26.3	+31.4
N. Mex.....	1,852	74,626	40.29	+1	+3	-1.1	-7
N. Y.....	40,133	3,327,273	82.91	+2	+1.4	+11.1	+13.8
N. C.....	10,434	387,264	37.12	+2.1	+2.3	+23.7	+27.0
N. Dak.....	846	67,536	79.83	-1.1	+13.3	+8.0	+24.6
Ohio <sup>1</sup> .....	7,835	390,005	49.78	+6	+1	+15.3	+15.4
Okla.....	5,444	315,249	57.91	+1.5	+3.1	+13.2	+36.8
Oreg.....	3,089	236,531	76.57	+3.3	+2.8	+24.7	+25.1
Pa.....	12,788	693,404	54.22	+6	+1.4	+10.4	+22.4
P. R.....	18,694	160,277	8.57	+8	+2.0	+29.0	+31.2
R. I.....	1,399	102,902	73.55	+1.7	+9	+31.5	+34.1
S. C.....	7,401	233,536	31.55	+6	+7	+9.0	+6.5
S. Dak.....	651	30,294	46.53	+3.2	+3.5	+28.1	+33.1
Tenn.....	1,439	57,237	39.78	+2.3	+2.7	+66.2	+69.3
Utah.....	1,749	112,387	64.26	+7	+9	+7.4	+8.0
Vt.....	440	21,605	49.10	+4.8	+5.3	+44.7	+48.1
V. I.....	94	1,404	14.94	(7)	(7)	(7)	(7)
Va.....	4,550	174,958	38.45	+1	+2	+4.5	+8.1
Wash.....	5,512	394,972	71.66	+1	(7)	-3.9	-1.9
W. Va.....	8,245	258,442	31.35	+1.0	+1.1	+36.7	+22.6
Wis.....	1,129	102,400	90.70	+1.0	-1.3	+2.1	+3.5
Wyo.....	469	27,860	59.40	+6	+7	+5.2	+5.7

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Percentage change not computed on base of less than 100 recipients.

<sup>3</sup> In addition to these payments from aid to the permanently and totally disabled funds, supplemental payments of \$49,065 from general assistance funds were made to 1,977 recipients.

<sup>4</sup> Increase of less than 0.05 percent.

**Table 16.—General assistance: Cases and payments to cases, by State, February 1955<sup>1</sup>**

[Exclusive of vendor payments for medical care and cases receiving only such payments]

State	Number of cases	Payments to cases		Percentage change from—			
		Total amount	Average	January 1955 in—		February 1954 in—	
				Number	Amount	Number	Amount
Total <sup>2</sup> .....	380,000	\$21,518,000	\$56.70	+2.5	+2.7	+21.6	+35.7
Ala.....	149	3,636	24.40	-3.2	-1.3	(7)	(7)
Alaska.....	165	10,845	65.73	-13.6	+6.4	+1.9	+12.4
Ariz.....	1,842	75,757	41.13	+3.5	+1.7	+17.5	+8.7
Ark.....	1,256	20,280	16.15	+30.2	+30.3	+181.6	+236.5
Calif.....	36,857	1,812,245	49.17	+2.1	+6	+1.4	+5.1
Colo.....	2,641	109,167	41.34	+8.7	+10.5	-1.4	-13.1
Conn.....	3,579	210,741	58.88	+4	-6	+11.5	+17.0
Del.....	1,535	85,198	55.50	+11.5	+15.5	+36.2	+43.6
D. C.....	520	31,887	61.36	-1.3	-2	-21.7	-19.8
Fla.....	5,500	90,500	16.45	-	-	-	-
Ga.....	2,586	58,583	22.65	-1.0	+1.3	+16.9	+34.1
Hawaii.....	1,995	113,124	56.70	+4.3	+5.5	+168.5	+275.1
Idaho.....	92	4,141	45.01	(7)	(7)	(7)	(7)
Ill.....	42,542	3,065,886	72.07	+4.5	+4.7	+45.2	+64.3
Ind.....	14,956	591,474	39.55	-4.7	-6.7	+30.5	+46.6
Iowa.....	4,930	175,395	35.58	+8.4	-3.3	+6.1	+6.2
Kans.....	2,468	139,933	56.70	+5.1	+9.6	+10.9	+19.8
Ky.....	3,247	97,381	29.99	+2.2	+8	+7.2	+12.4
La.....	7,382	289,570	39.23	+3	+6	+10.0	+9.9
Maine.....	4,309	190,286	44.16	+2.4	+9	+7.8	+8.9
Md.....	2,835	160,403	56.58	+5.5	+5.2	+22.9	+24.9
Mass.....	14,446	793,645	54.94	+2.2	+6	+12.0	+20.8
Mich.....	21,942	1,460,508	66.56	+8	+8	+31.0	+52.1
Minn.....	9,112	561,873	61.66	+4.5	+3.2	+22.4	+33.1
Miss.....	921	12,498	13.57	+3.3	+10.0	+13.8	+15.1
Mo.....	6,292	240,722	38.26	+3.8	+2.6	+19.3	+28.9
Mont.....	1,340	48,281	36.03	+48.9	+47.7	-8.7	-19.9
Nebr.....	1,908	81,127	42.52	+5.1	+9.7	+7.2	+8.4
Nev.....	411	12,824	31.20	+19.5	+1.6	+9.0	+12.9
N. H.....	1,489	69,551	46.71	+7	+3.5	+19.9	+18.5
N. J.....	10,497	809,535	77.12	+6.4	+6.1	+31.5	+43.8
N. Mex.....	603	15,396	25.53	+6.0	+3.2	+44.6	+40.5
N. Y.....	35,230	2,968,469	84.26	+3.7	+4.9	+12.3	+27.4
N. C.....	2,643	53,261	20.15	-1.7	-6	+7	+3
N. Dak.....	785	35,218	44.86	+18.0	+13.4	+10.1	+9.6
Ohio <sup>10</sup> .....	37,318	2,075,909	55.63	+8	+3.0	+36.1	+51.9
Okla.....	10,700	89,734	8.38	-	+5.0	-	+7.9
Oreg.....	4,382	178,805	40.80	-9.5	-37.8	-15.6	-47.2
Pa.....	31,858	2,394,902	75.17	+6.2	+8.2	+85.2	+130.1
P. R.....	998	8,883	8.90	-5	+1	-52.6	-36.1
R. I.....	4,366	294,065	67.35	+1.9	-3.7	+10.9	+18.8
S. C.....	2,259	51,469	22.78	-2.2	+1.3	+3	-1
S. Dak.....	1,499	46,851	31.25	+6.5	+3.2	+68.4	+98.4
Tenn.....	2,655	43,194	16.27	-2.3	-2	+13.1	+7.8
Tex.....	9,200	193,000	21.00	-	-	-	-
Utah.....	2,292	145,916	63.66	-2	-2.5	+22.9	+26.9
Vt.....	1,400	59,000	42.14	-	-	-	-
V. I.....	79	1,053	13.33	(7)	(7)	-26.9	-26.2
Va.....	2,648	97,816	36.94	+9.7	+10.7	+9.0	+12.2
Wash.....	12,748	786,072	61.66	-1.3	-5	+1	+3.6
W. Va.....	2,590	73,972	28.56	-6.8	-7.5	-9.3	-11.8
Wis.....	10,980	829,282	75.53	+2.2	+3.3	+31.4	+44.9
Wyo.....	529	29,747	56.23	+10.7	+19.6	+31.3	+56.3

<sup>1</sup> For definition of terms see the *Bulletin*, January 1953, p. 16. All data subject to revision.

<sup>2</sup> Partly estimated; does not represent sum of State figures because total excludes for Indiana and New Jersey payments made for, and an estimated number of cases receiving, medical care, hospitalization, and burial only.

<sup>3</sup> Percentage change not computed on base of less than 100 cases.

<sup>4</sup> State program only; excludes program administered by local officials.

<sup>5</sup> About 4 percent of this total is estimated.

<sup>6</sup> Partly estimated.

<sup>7</sup> Excludes assistance in kind and cases receiving assistance in kind only and, for a few counties, cash payments and cases receiving cash payments.

<sup>8</sup> Includes unknown number of cases receiving medical care, hospitalization, and burial only, and total payments for these services.

<sup>9</sup> Includes cases receiving medical care only.

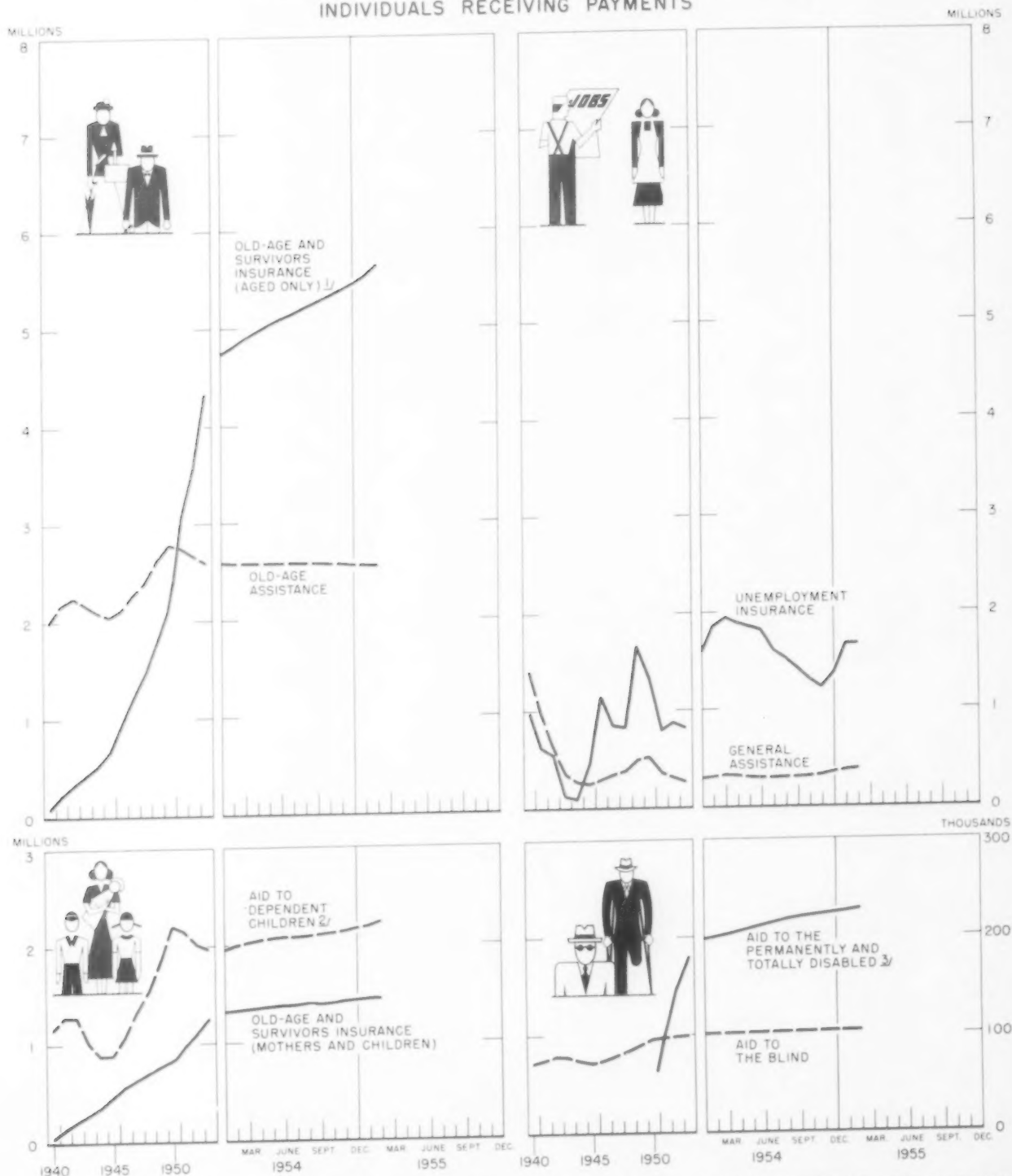
<sup>10</sup> Includes 8,099 cases and payments of \$281,265 representing supplementation of other assistance programs.

<sup>11</sup> Excludes estimated duplication between programs; 1,674 cases were aided by county commissioners and 3,462 cases under program administered by Oklahoma Emergency Relief Board.

<sup>12</sup> Estimated on basis of reports from a sample of local jurisdictions.

# Social Security Operations\*

INDIVIDUALS RECEIVING PAYMENTS



\* Old-age and survivors insurance: beneficiaries receiving monthly benefits (current-payment status); annual data represent average monthly number. Public assistance: monthly number of recipients under all State programs (including, beginning October 1950, cases receiving only vendor payments for medical care, except in general assistance); annual data, average monthly number. Unemployment insurance: average weekly number of beneficiaries for the month under all State laws; annual data, average weekly number for the year.

<sup>1</sup> Receiving old-age, wife's or husband's, widow's or widower's, or parent's benefit. Beginning September 1950, includes a small proportion of wife beneficiaries under age 65 with child beneficiaries in their care.

<sup>2</sup> Children plus 1 adult per family when adults are included in assistance group; before October 1950, partly estimated.

<sup>3</sup> Program initiated October 1950.

NOTE: Data for payments and data for individuals receiving payments appear in alternate months.



## *Selected Reports of the Social Security Administration*

- The Effectiveness of Delinquency Prevention Programs.* (Publication No. 350.) Children's Bureau. 25 cents.
- Parents and Delinquency.* (Publication No. 349.) Children's Bureau. 20 cents.
- Police Services for Juveniles.* (Publication No. 344.) Children's Bureau. 35 cents.
- Standards for Specialized Courts Dealing with Children.* (Publication No. 346.) Children's Bureau. 35 cents.
- Tentative Standards for Training Schools.* (Publication No. 351.) Children's Bureau. 30 cents.
- Training Personnel for Work with Juvenile Delinquents.* (Publication No. 348.) Children's Bureau. 35 cents.
- Aid to the Blind Recipients With Earnings in September 1950.* Bureau of Public Assistance. Processed.
- Characteristics of Recipients of Aid to the Permanently and Totally Disabled, Mid-1951.* Bureau of Public Assistance. Processed.
- Medical Care in Public Assistance, 1946—Part II: Summary Report.* Bureau of Public Assistance. Processed.
- Process in the Development and Teaching of a Policy on Case Recording.* Bureau of Public Assistance. Processed.
- Public Social Welfare Personnel—Education, Work Loads, Experience, Working Conditions, Salaries.* Bureau of Public Assistance and Children's Bureau. \$1.
- Social Information Report—Aid to the Disabled.* Bureau of Public Assistance. 30 cents.
- Student Field Work in Public Assistance.* Bureau of Public Assistance. Processed.
- The Training Center: A Method of Staff Development.* Bureau of Public Assistance. Processed.
- Estimated Amount of Life Insurance in Force as Survivor Benefits Under Social Security Act Amendments of 1952.* Division of the Actuary. Processed.
- Long-Range Cost Estimates for Old-Age and Survivors Insurance, 1954.* Division of the Actuary. Processed.
- Present Values of OASI Benefits in Current Payment Status, 1940-52.* Division of the Actuary. Processed.
- Independent Plans Providing Medical Care and Hospitalization Insurance in 1949 in the United States.* Division of Research and Statistics. 65 cents.
- Old-Age, Survivors, and Invalidity Programs Throughout the World, 1954.* Division of Research and Statistics. 40 cents.
- Social Security Financing.* Division of Research and Statistics. \$1.